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January 29, 2007

HAND DELIVERED

Mr. Mark E. Fesmire, Director
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87505

Case 13875

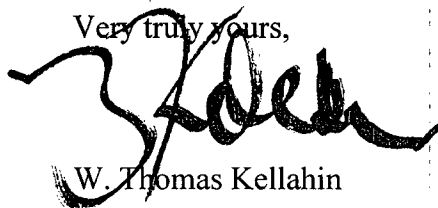
2007 JUN 29 PM 4 20

Re: Application of Range Operating New Mexico Inc
to amended Order R-12601 to change the approved
injection well locations for three wells within the
East Loving-Delaware Leasehold Pilot Waterflood Project
EddyCounty, New Mexico

Dear Mr. Fesmire:

On behalf of Range Operating New Mexico Inc., find enclosed our referenced application which we request be set for hearing on the Examiner's docket now scheduled for March 1, 2007. Also enclosed is our proposed advertisement of this case for the NMOCD docket.

Very truly yours,



W. Thomas Kellahin

cc: Range Operating New Mexico Inc.
Attn: Bobby Ebeier

**STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION**

**IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:**

CASE NO. *13875*

2007 JUN 29 PM 4 21

**APPLICATION RANGE OPERATING NEW MEXICO, INC.
TO AMENDED DIVISION ORDER R-12601 IN ORDER TO
CHANGE THE APPROVED LOCATIONS OF THREE INJECTION
WELLS IN ITS EAST LOVING-DELAWARE LEASEHOLD PILOT
WATERFLOOD PROJECT, EDDY COUNTY, NEW MEXICO**

APPLICATION

Range Operating New Mexico, Inc. ("Range") applies to the New Mexico Oil Conservation Division ("Division") for an amendment to Division Order R-12601 so that three of the six previously approved unorthodox injection wells location can be relocated all within Township 23 South, Range 28 East, as follows:

(1) SCB 23-18 Well:

Old Surface: 1815 feet FNL and 1200 feet FWL of Section 23 (Unit D)
Old Bottom hole: 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)
New Surface: 1883 feet FNL and 1052 feet FWL of Section 23 (Unit D)
New Bottom hole: 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)

(2) SCB 23-20 Well:

Old Surface & Bottom hole: 2520 feet FSL and 2460 feet FEL of Section 23 (Unit J)
New Surface & Bottom hole: 2460 feet FSL and 2460 feet FEL of Section 23 (Unit J)

(3) SCB 23-21 Well:

Old Surface & Bottom hole: 2531 FSL and 1252 FEL of Section 23 (Unit I)
New Surface & Bottom hole: 2460 FSL and 1160 FEL of Section 23 (Unit I)

for the East Loving-Delaware Leasehold Pilot Waterflood Project and in support states:

(1) Range is the operator of the East Loving-Delaware Pilot Waterflood Project that consists of 480-acre of fee lands, consisting of 6 different oil and gas leases, described as follows:

Township 23 South, Range 28 East, NMPM

Section 23:

Tract 1: W/2NW/4; SE/4NW/4 and SW/4NE/4 (160-acres)

Tract 2: NE/4NW/4 and NW/4NE/4 (80-acres)

Tract 3: E/2NE/4 (80) acres)

Tract 4: N/2SW/4 (80-acres)

Tract 5: N/2SE/4 (80-acres)

See Locator Map attached as Exhibit "A"

(2) The Project is within the boundaries of the East Loving-Brushy Canyon Pool (formerly East Loving-Delaware Pool).

(3) The Division has approved this waterflood project for the injection of produced water from the Brushy Canyon formation of the Delaware Group in and around the pilot area, and in addition water as needed from a Cherry Canyon formation source well into the Brushy Canyon portions of the East Loving-Brushy Canyon Pool pursuant to a plan of operations.

(4) In order to proceed with this approved project, Range proposes that three of the six injection wells be moved such that the surface and bottom hole locations will be within Tract 1 and Tract 5 of Section 23. See wellbore list for all injection wells attached as Exhibit "B"

(5) By doing so, Range can then drill these injection wells in accordance with the implied easements available pursuant to the oil and gas lease for Tract 1 and Tract 5 that is held by Range as the oil and gas lessee or in accordance with the terms and conditions of the Injection Agreements executed by the necessary parties.

(6) The amended locations do not adversely affect the planned pattern for the relationship between the injectors and the producing wellbores.

(7) Approval of the proposed changes in the injection well locations should still provide an opportunity to recover additional oil and gas reserves from the project that may otherwise not be recovered, thereby preventing waste and protecting correlative rights.

(8) Moving the location will not add or subtract any wellbores from the "area of review" previously examined and approved by the Division.

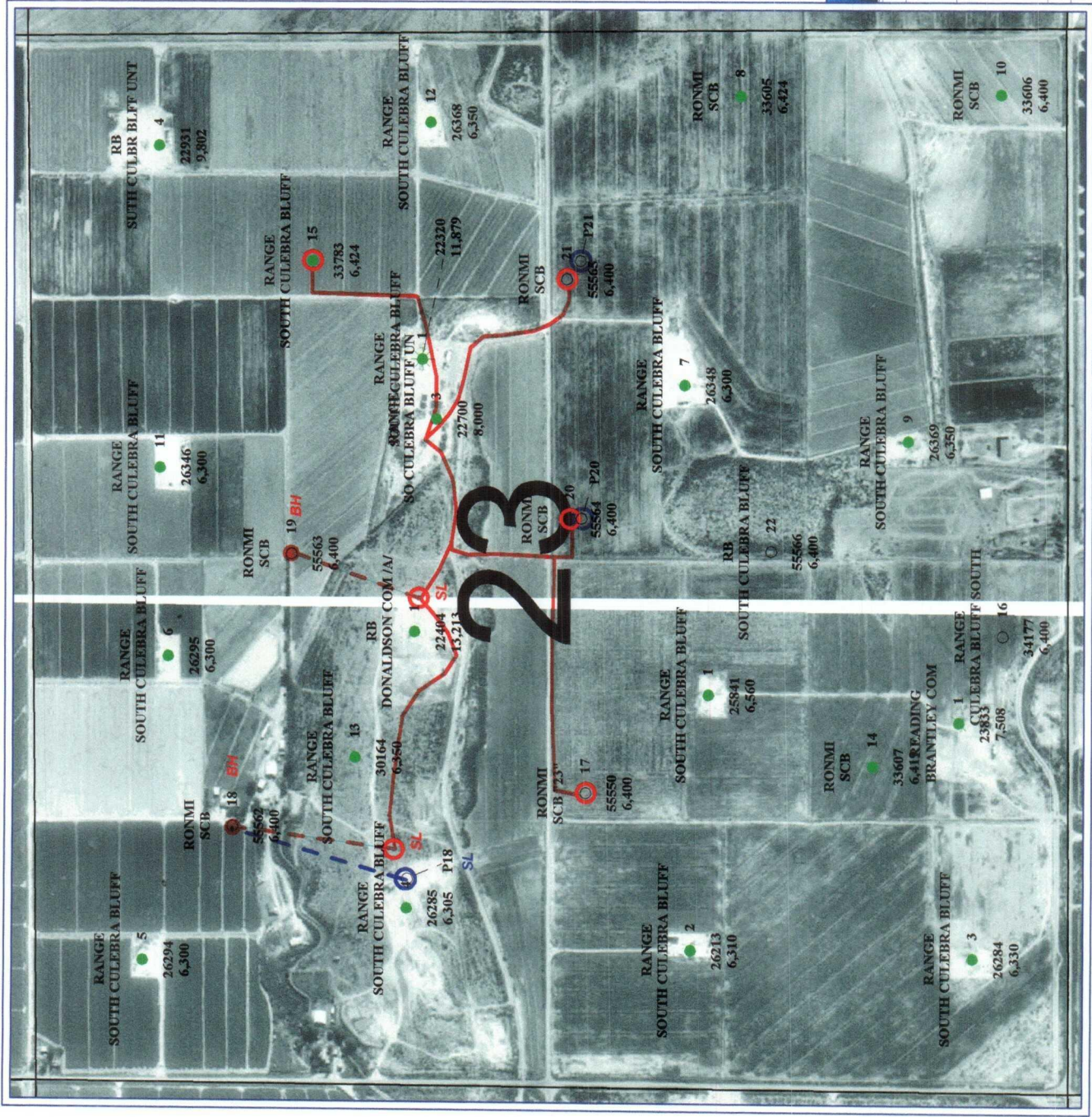
(9) A copy of this application including notice of hearing will be sent to all mineral interest owners, including royalty and overriding royalty owners, within Section 23, T23S, R28E, NMPM as set forth on Exhibit "C" attached.

Wherefore, Applicant requests that this application be set for hearing and that after said hearing, the Division enter its order approving this application.

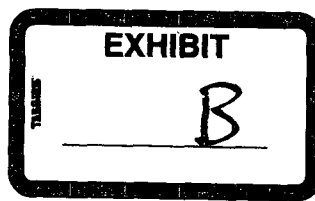
Respectfully submitted,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over the typed name.

W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, NM 87504
Attorney for Applicant



EDDY COUNTY, NEW MEXICO
WATERFLOOD INJECTION LINE
WITH PROPOSED LOCATION CHANGES
0 800 FEET
By: R HUBNIK
January 26, 2007



Order R-12601

Revised surface and bottom hole locations:

SCB 23-15 Well	Old Surface & Bottom hole: 1430 feet FNL and 1150 feet FEL of Section 23 (Unit H) No Change
SCB 23-17 Well	Old Surface & Bottom hole: 2440 feet FSL and 1500 feet FWL of Section 23 (Unit K) SL & BHL No Change
SCB 23-18 Well	Old Surface: 1815 feet FNL and 1200 feet FWL of Section 23 (Unit D) Old Bottom hole: 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E) New Surface: 1883 feet FNL and 1052 feet FWL of Section 23 (Unit D) New Bottom hole: 1000 feet FNL and 1300 feet FWL of Section 23 (Unit E)
SCB 23-19 Well	Old Surface: 1950 feet FNL and 2470 feet FWL of Section 23 (Unit F) Old Bottom hole: 1300 feet FNL and 2620 feet FEL of Section 23 (Unit F) No Change
SCB 23-20 Well	Old Surface & Bottom hole: 2520 feet FSL and 2460 feet FEL of Section 23 (Unit J) New Surface & Bottom hole: 2460 feet FSL and 2460 feet FEL of Section 23 (Unit J)
SCB 23-21 Well	Old Surface & Bottom hole: 2531 FSL and 1252 FEL of Section 23 (Unit I) New Surface & Bottom hole: 2460 FSL and 1160 FEL of Section 23 (Unit I)

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Minerals Management Service
Mineral Revenue Management
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Gloria G Margulies as Trustee
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Sherman Oaks, CA 91401

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Willcox, AZ 85643-3212

Geraldine Clem Bolen
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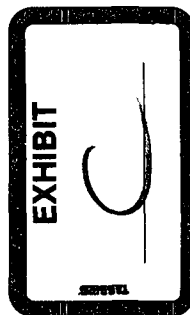
Emil Berger
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Solomon N Grover As Trustee Of
Solomon N Grover Trust Agreement
Dated 10/10/2000
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Woodland Hills, CA 91367

Shayna Levine-Hoffman
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& Gloria G Margulies Trust Agr
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William M Baker & Francine L Baker Family
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Claremont, CA 91711

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DTD 8/4/99
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Whitten Guitar Witherspoon
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Fort Worth, TX 76133

Brett Guitar Witherspoon
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Fort Worth, TX 76109-3412

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Repps Bedford Guitar Jr
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Loving, NM 88220

CASE 13875: Application of Range Operating New Mexico, Inc, to amend Division Order R-12601, Eddy County, New Mexico. Applicant seek to amend Order R-12601 so that three of the six previously approved unorthodox injection wells location can be relocated all within Township 23 South, Range 28 East, as follows:

SCB 23-18 Well:

Old Surface: 1815 feet FNL and 1200 feet FWL of Section 23 (Unit D)
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New Surface & Bottom hole: 2460 FSL and 1160 FEL of Section 23 (Unit I)

For the East Loving-Delaware Leasehold Pilot Waterflood Project. The project is located approximately 2 miles East of Loving, New Mexico. **IN THE ABSENCE OF OBJECTION, THIS MATTER WILL BE TAKEN UNDER ADVISEMENT**