

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-HOBBS

FORM APPROVED
OMB No 1004-0137
Expires March 31, 2007

ATS-07-491

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		Split Estate	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input checked="" type="checkbox"/> Multiple Zone			
2. Name of Operator Range Operating New Mexico, Inc.		<227589>	
3a. Address 100 Throckmorton St., Ste. 1200 Fort Worth, TX 76102		3b. Phone No. (include area code) 817-869-4216	
4. Location of Well (Report location clearly and in accordance with any State requirements *) At surface 1650' FNL & 2310' FWL At proposed prod. zone 1650' FNL & 2310' FWL		Unit F Capitan Controlled Water Basin	
14 Distance in miles and direction from nearest town or post office* 12 miles South from Eunice, NM		12 County or Parish Lea	
15 Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig. unit line, if any) 1650		16. No. of acres in lease 40	
18 Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft		17. Spacing Unit dedicated to this well 40	
21 Elevations (Show whether DF, KDB, RT, GL, etc.) 3272		22. Approximate date work will start* 08/01/2007	
		23. Estimated duration 14	
24. Attachments			

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25 Signature	Name (Printed/Typed) Paula Hale	Date 07/16/2007
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Title
Sr. Reg. Sp.

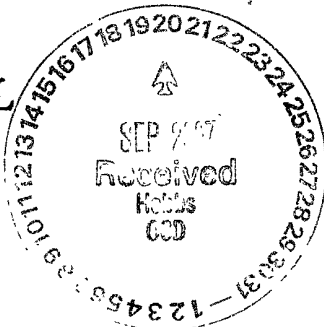
Approved by (Signature) /s/ Don Peterson	Name (Printed/Typed) /s/ Don Peterson	Date SEP 13 2007
Title FIELD MANAGER	Office CARLSBAD FIELD OFFICE	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR TWO YEARS

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

SEE ATTACHED FOR
CONDITIONS OF APPROVALAPPROVAL SUBJECT TO
GENERAL REQUIREMENTS
AND SPECIAL STIPULATIONS
ATTACHED

RANGE OPERATING NEW MEXICO, INC.

100 THROCKMORTON ST., SUITE 1200

FORT WORTH, TEXAS 76102

817.870.2601

817.870.2316 (FAX)

July 13, 2007

United States Department of the Interior
Bureau of Land Management
Carlsbad Field Office
620 East Greene Street
Carlsbad, NM 88220-6292

Re: Eva Blinebry "B" #5 Well
W/2 of Section 34, T23S, R37E
Lea County, NM

Gentlemen:

The surface owner on the subject well is D. K. Boyd Oil & Gas Co., whose address is P. O. Box 11351, Midland, TX 79702. Please accept this letter as my testimony that I have made a verbal agreement to pay surface damages to D. K. Boyd Oil & Gas Co. on the subject well. Please call me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read "Robert Ebeier". The signature is fluid and cursive, with a long horizontal stroke at the end.

Robert Ebeier
Senior Landman

DISTRICT I
1625 N. FRENCH DR., HOBBS, NM 88240

DISTRICT II
1301 W. GRAND AVENUE, ARTESIA, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

DISTRICT IV
1625 S. ST. FRANCIS DR., SANTA FE, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
1220 SOUTH ST. FRANCIS DR.
Santa Fe, New Mexico 87505

Form C-102
Revised October 12, 2005
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number 30-025-38574	Pool Code 33600	Pool Name Teague Paddock	Well Name Imperial
Property Code 303746	Property Name EVA BLINEBRY "B" FEDERAL	Well Number 5	
OGRID No. 227588	Operator Name Range Operating New Mexico, Inc.	Elevation 3272'	

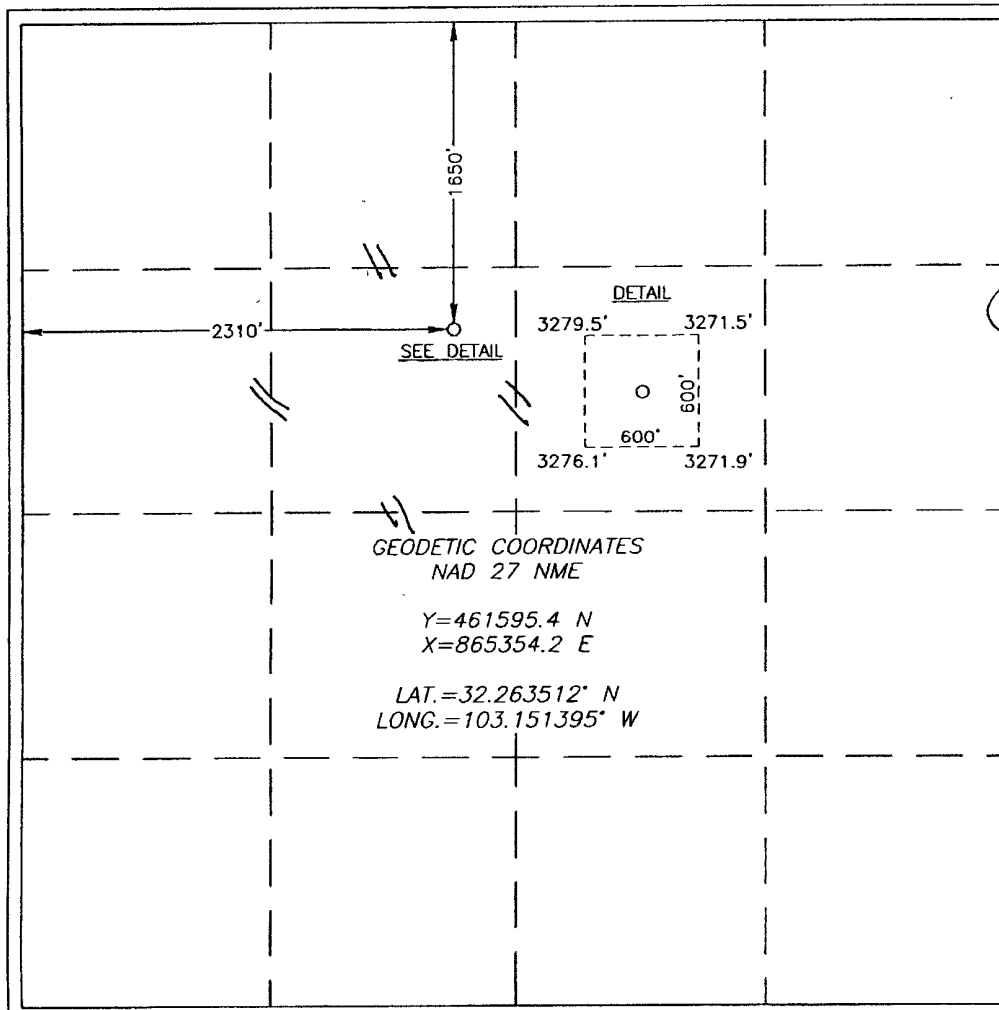
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	34	23-S	37-E		1650	NORTH	2310	WEST	LEA

Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION



OPERATOR CERTIFICATION

I hereby certify that the information herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.

Signature: *Paula Hale* Date: **7/11/07**
Printed Name: **Paula Hale**

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

Date Surveyed: **6/05/07** AR
Signature: *Ronald J. Eidson*
Professional Surveyor: **3239**
Certificate No.: **GARY EIDSON 12641**
RONALD J. EIDSON 3239

NOTICE TO SURFACE OWNER

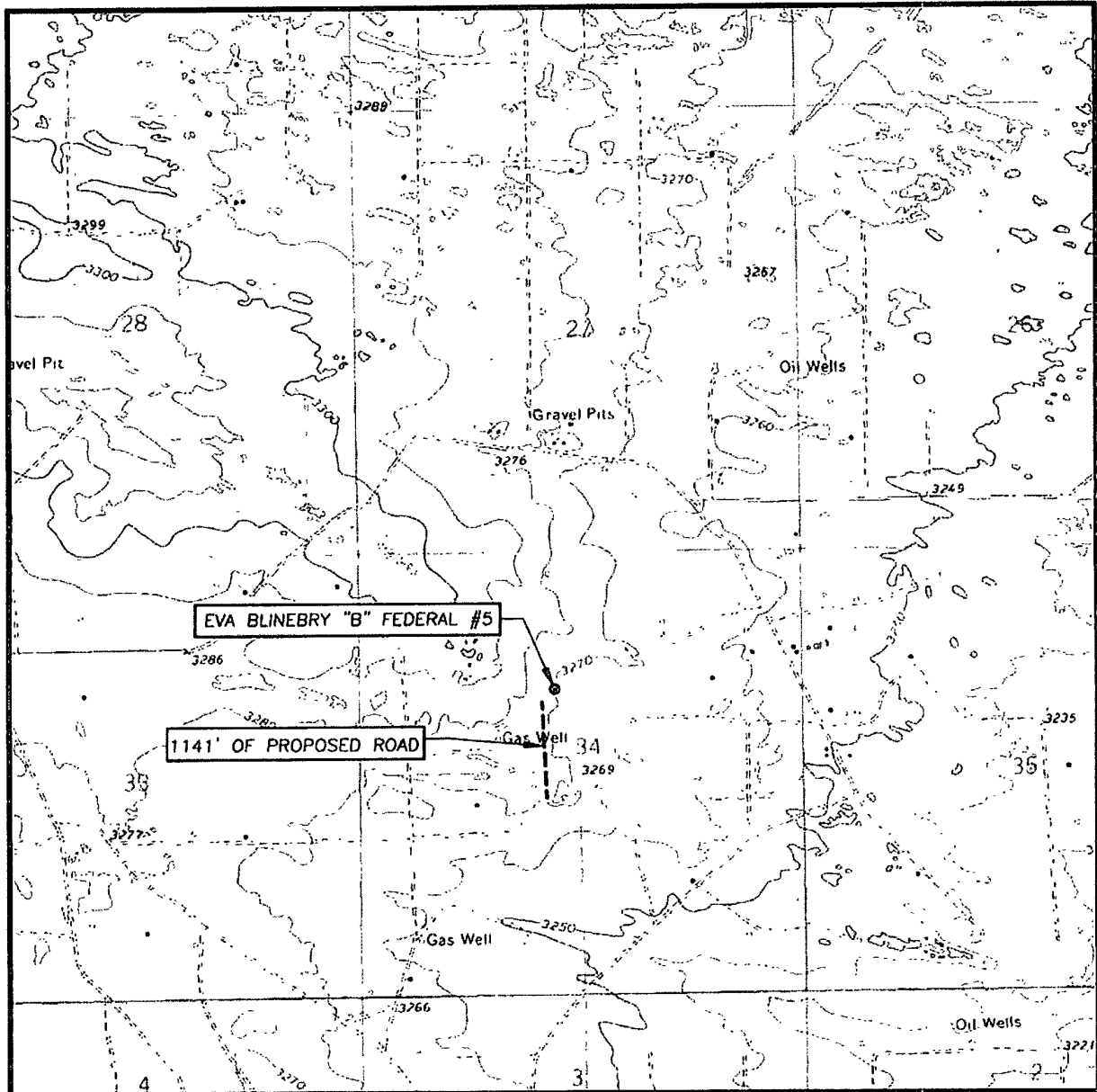
Surface Owner

D. K. Boyd Oil & Gas Co.
P. O. Box 11351
Midland, TX 79702

Notice Date

7-16-07

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
RATTLESNAKE CANYON, N.M. - 10'

SEC. 34 TWP. 23-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1650' FNL & 2310' FWL

ELEVATION 3272'

OPERATOR RANGE OPERATING NEW MEXICO, INC.

LEASE EVA BLINEBRY "B" FEDERAL

U.S.G.S. TOPOGRAPHIC MAP
RATTLESNAKE CANYON, N.M.

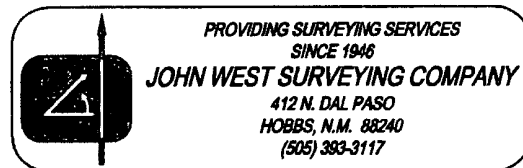
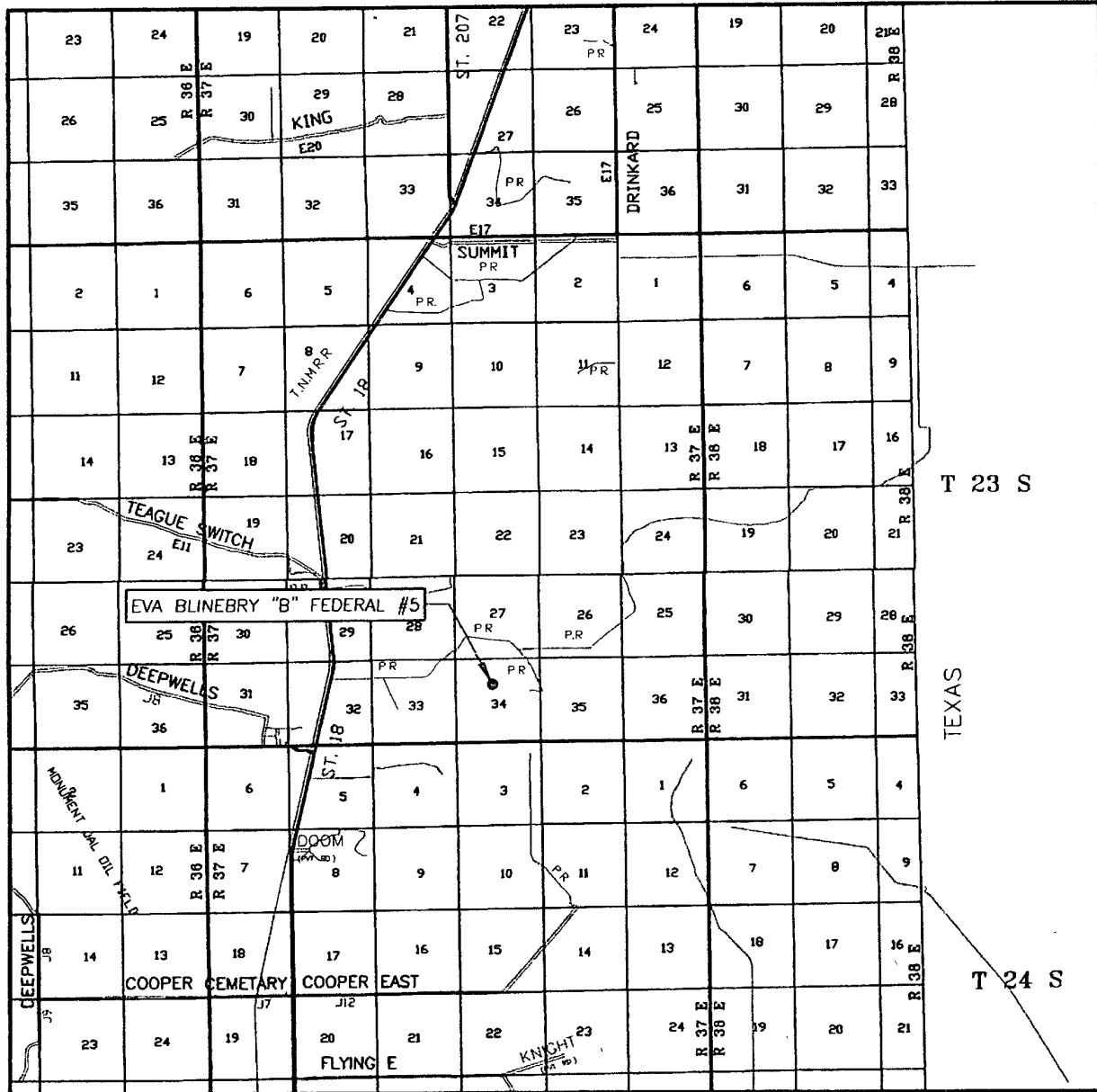


EXHIBIT A

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 34 TWP. 23-S RGE. 37-E

SURVEY N.M.P.M.

COUNTY LEA STATE NEW MEXICO

DESCRIPTION 1650' FNL & 2310' FWL

ELEVATION 3272'

OPERATOR RANGE OPERATING NEW MEXICO, INC.

LEASE EVA BLINEBRY "B" FEDERAL

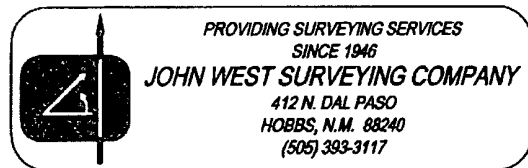


EXHIBIT B

Revised Drilling Program
EVA BLINEBRY 'B' #5
Lea County, NM

August 29, 2007

Surface Location: **1650' FNL & 2310' FWL**
 Section 34-T23S-R37E
 Lea County, New Mexico
 Lat: 32.263512
 Long: -103.151395'

Bottom-hole Location: same, vertical

Elevation: GL: 3272 ft
 Est. KB: 3282 ft

Directions to Location: Approx. 12 miles south of Eunice, NM on HWY #18. Turn left and go east at Lease Rd. (Marker 19). Go east for approx 0.5 miles. Turn right and go southeast then east for approx 1.5 miles to an existing pump unit and tank battery. From the northwest corner of existing well follow road north to northwest for approx 1141 feet to the southwest corner of the # 5 location.

Access to Location: Unrestricted

1. Geologic Name of Surface Formation

a. Permian

2. Estimated Top of Geological Markers & Depths of Anticipated Fresh Water, Oil or Gas:

Upr Permian Rustler Fm	+2250 ft	1032 ft MD	Not Reservoir Rock
Upr Permian Penrose-Skelly Fm	-80 ft	3362 ft MD	Oil, gas, water poss
Upr Permian San Andres Fm	-510 ft	3792 ft MD	Oil, gas, water poss
Upr Permian Glorieta Fm	-1620 ft	4902 ft MD	Oil, gas, water poss
Upr Permian Blinebry Fm	-2010 ft	5292 ft MD*	Oil, gas, water poss
Lwr Permian Tubb Fm	-2605 ft	5887 ft MD+	Tight oil & gas poss
Lwr Permian Drinkard Fm	2765 ft	6047 ft MD+	Tight oil & gas poss
Lwr Permian Abo	-3195 ft	6477 ft MD+	Tight oil & gas poss

Proposed TD:	-3418 ft	6700 ft MD	Tight oil & gas likely
Est. BHP @TD: 2100 psi			Water poss

*= Primary Reservoir Targets

+ = Secondary Reservoir Targets

PRIMARY RESERVOIR TARGETS

Upper Permian **Blinebry Formation**

Rock Type:	Dolostone
Thickness:	~625 ft
Avg. Porosity:	10%; ranges from 6% -15%
Est. Reservoir Temp.:	110° F
Est. Reservoir Press.:	2100 psi (assuming no pressure depletion)

SECONDARY RESERVOIR TARGETS

- 1) Upper Permian **Penrose-Skelly** through **San Andres Dolostone** likely significant depletion
- 2) Lower Permian **Tubb, Drinkard & Abo Siliciclastics & Dolostones** likely lower quality Hydrocarbon reservoirs with low permeability & possibly water

3. **Casing Program;**

<u>Hole Size</u>	<u>Hole Interval</u>	<u>OD Csg</u>	<u>Casing Interval</u>	<u>Weight</u>	<u>Collar</u>	<u>Grade</u>
12 ¼"	0' - +/-1200'	8 5/8"	0' - +/-1200'	24#	ST&C	J-55
7 7/8"	0' - +/-6700'	5 ½"	0' - +/-6700'	15.5#	LT&C	J-55

Design Parameter Factors:

<u>Casing Size</u>	<u>Collapse Design Factor</u>	<u>Burst Design Factor</u>	<u>Tension Design Factor</u>
8 5/8"	2.4	4.7	9.8
5 ½"	1.3	1.5	2.7

4. **Cement Program: (Hole conditions may require cementing in two stages)**

- a. 8 5/8 Surface Cement to surface with Lead: 350 sks of 35/65 POZ:Class C + 6% Gel + 5% (BWOW) NaCl, Slurry weight = 12.8 ppg, Yield = 1.94 ft³/sk.
Tail: 150 sks Class C + 1% CaCl₂, Slurry weight = 14.8 ppg, Yield = 1.32 ft³/sk. Displace with fresh water, bump plug with 500 psi over final pump pressure. TOC - surface.
- b. 5 ½ Production Cement Lead: 370 sks of 50/50 POZ:Class C + 10% Gel + 5% NaCl. Slurry weight= 11.8 ppg, Yield = 2.4 cf/sk
Tail: 300 sks of 50/50 POZ:Class C + 2% Gel + 5% (BWOW) NaCl, Slurry weight = 14.2 ppg, Yield = 1.38 cf/sk. Displace with fresh water. TOC =/-1000'

The above cement volumes could be revised pending the caliper measurement from the open hole logs. The top of cement on surface casing is designed to reach the surface. All casing is new and API approved.

5. **Pressure Control Equipment:**

The blowout preventor equipment (BOP) as shown below will consist of a (2M system) double ram type (3000 psi WP) preventor and rotating head. Both units will be hydraulically operated and the ram type preventor will be equipped with blind rams on top and 4 1/2 " drill pipe rams on bottom. The BOP will

be installed on the 8 5/8" surface casing and utilized continuously until total depth is reached. **ALL BOP's and associated equipment will be tested to 1000 psi high and 250 psi low with the rig pump.** Prior to drilling out the 8 5/8" casing shoe, the BOP's AND Hydril will be tested per BLM Drilling Operations Order #2.

Pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These functional tests will be documented on the daily driller's log. A 2" kill line and 3" choke line will be incorporated in the drilling spool below the ram-type BOP. Other accessory BOP equipment will include a Kelly cock, floor safety valve, choke lines and choke manifold having a minimum 2000 psi WP rating.

6. **Proposed Mud Circulation System**

<u>Depth</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>Fluid Loss</u>	<u>Type System</u>
0 – 1200'	8.4 – 9.4	32-34	NC	Water
1200 – 6000'	10.0	28	NC	Brine
6000' – 6700'	10.0 – 10.2	30-33	10cc	Dispersed

The necessary mud products for weight addition and fluid loss control will be on location at all times.

7. **Auxiliary Well Control and Monitoring Equipment:**

- a. A. Kelly cock will be in the drill string at all times.
- b. A full opening drill pipe stabbing valve having the appropriate connection will be on the rig floor at all times.
- c. Hydrogen Sulfide detection equipment will be in operation after drilling out the 8 5/8" casing shoe until the 5 1/2" casing is cemented. Breathing equipment will be on location upon drilling the 8 5/8" shoe until total depth is reached.

8. **Logging, Coring, and Testing Program:**

Mudlogging: Mud System 10.1 lbs/gal Brine-Suttles Unit on @2500' w/ gas monitoring equipment & cuttings collected

Drillstem Tsts: No DST's are planned-should the need for a DST arise, a procedure, equipment to be used & safety measures will be provided via sundry notice to the BLM

Wireline Logs: 1. Upon TD, the following open hole logs will be run from TD to surface casing point: Dual Laterolog-Micro Guard, Spectral Gamma Ray, Compensated neutron, Spectral Density

2. Delta T Sonic & Rotary Sidewall Cores are optional services for the open hole

3. From Surface Casing point to Surface, Compensated neutron & Gamma Ray will be run in cased portion of hole

Whole Coring: No Whole Coring in planned.

9. **Potential Hazards:**

No abnormal pressures or temperatures are expected. All personnel will be familiar with all aspects of safe operations of equipment being used to drill this well. Estimated BHP 2800 psi and Estimated BHT 130°.

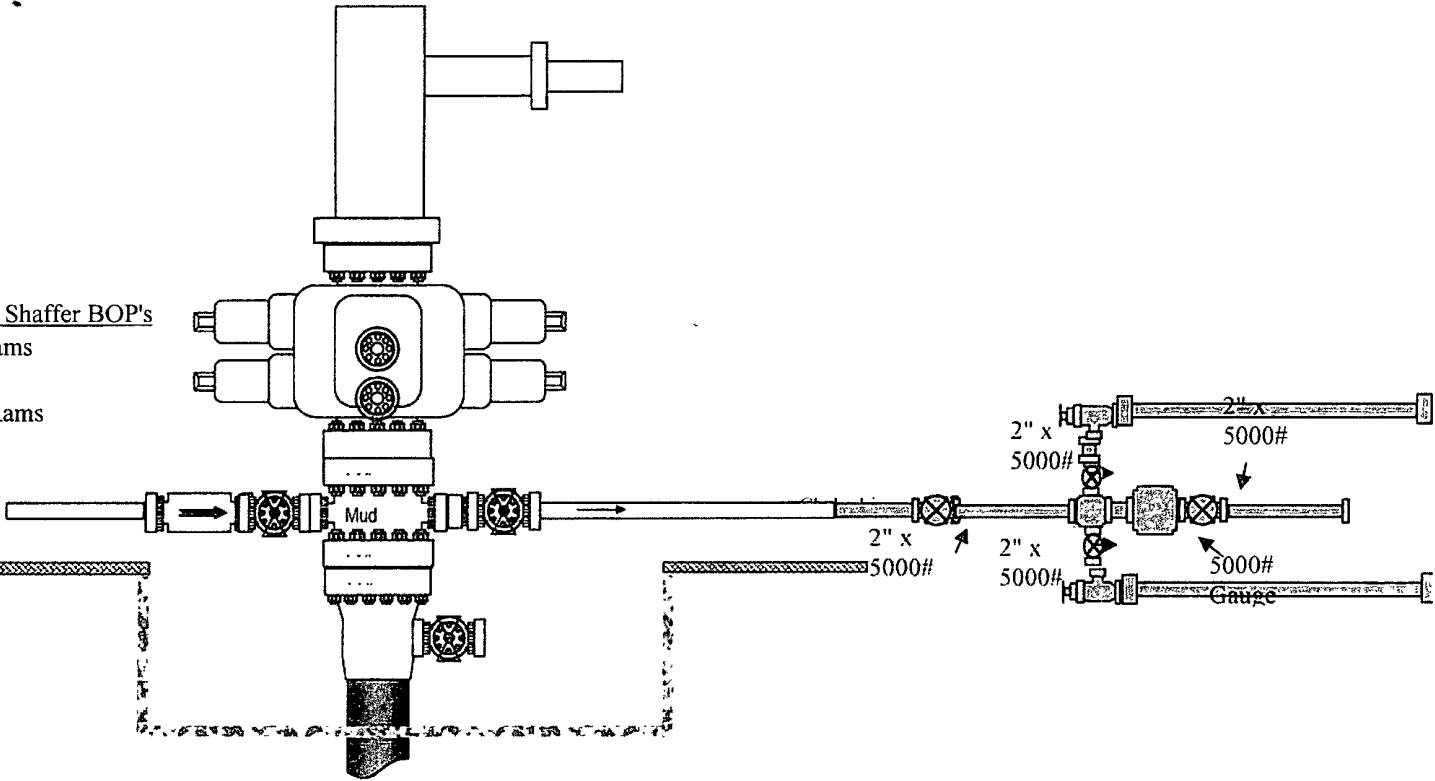
10. **Anticipated Starting Date and Duration of Operations:**

- a. Road and location construction will begin after the BLM has approved the APD. Anticipated spud date will be as soon after BLM approval and as soon as a rig will be available. Move in operations and drilling is expected to take 7-10 days. If production casing is run then an additional 30 days will be needed to complete well and construct surface facilities and/or lay flow lines in order to place well on production.

Double Shaffer BOP's
Pipe Rams

Blind Rams

Kill
Line



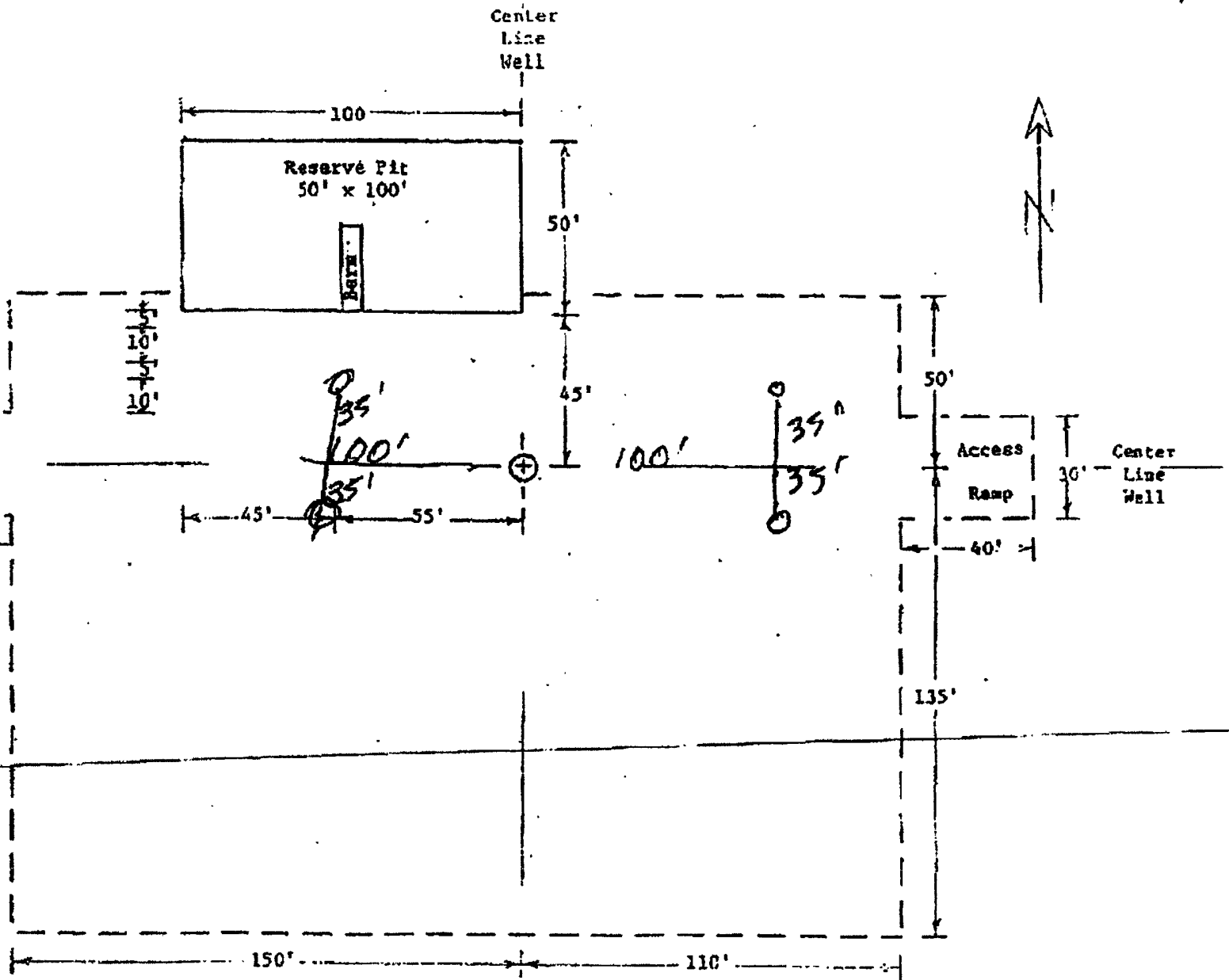


EXHIBIT C

UNITED DRILLING, INC.

LOCATION PLAT

069 22 630

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
June 1, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☐

Type of action: Registration of a pit or below-grade tank ☐ Closure of a pit or below-grade tank ☐

Operator <u>Range Operating New Mexico, Inc.</u> Telephone <u>817-869-4216</u> e-mail address <u>phale@rangeresources.com</u>	
Address <u>100 Throckmorton St., Ste. 1200, Fort Worth, TX 76102</u>	
Facility or well name: <u>Eva Blinbry B #5</u>	API #: <u>30-025-38574</u> U/L or Qtr/Qtr <u>F</u> Sec <u>34</u> T <u>23S</u> R <u>37E</u>
County <u>Lea</u>	Latitude <u>32 263512°N</u> Longitude <u>103.151395°W</u> NAD 1927 <input type="checkbox"/>
1983 <input type="checkbox"/>	
Surface Owner Federal <input checked="" type="checkbox"/> State <input type="checkbox"/> Private <input type="checkbox"/> Indian <input type="checkbox"/>	
Pit Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input type="checkbox"/> Unlined <input type="checkbox"/> Liner type Synthetic <input checked="" type="checkbox"/> Thickness <u>12</u> mil Clay <input type="checkbox"/> Pit Volume <u>6,000</u> bbl	Below-grade tank Volume <u> </u> bbl Type of fluid <u> </u> Construction material <u> </u> Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not <u> </u>
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) 50 feet or more, but less than 100 feet (10 points) 100 feet or more (0 points)
Wellhead protection area (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) No (0 points)
Distance to surface water (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) 1000 feet or more (0 points)
Ranking Score (Total Points)	

If this is a pit closure: (1) Attach a diagram of the facility showing the pit's relationship to other equipment and tanks (2) Indicate disposal location (check the onsite box if you are burying in place) onsite ☐ offsite ☐ If offsite, name of facility (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface ft and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

Additional Comments. Pit will also have a felt liner under the synthetic liner	<i>Pit liner and contents must be removed after use.</i>

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☐, a general permit ☐, or an (attached) alternative OCD-approved plan ☐.

Date: 7-17-07

Printed Name/Title Paula Hale

Signature *Paula Hale*

Your certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Printed Name/Title CHRIS WILLIAMS/DIST. SUPV

Signature *Chris Williams*

Date: 9/27/07