

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarter ended June 30, 2000
- TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transaction period from _____ to _____
COMMISSION FILE NUMBER 0-9592

RANGE RESOURCES CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE
(State of incorporation)

34-1312571
(I.R.S. Employer
Identification No.)

500 THROCKMORTON STREET, FT. WORTH, TEXAS
(Address of principal executive offices)

76102
(Zip Code)

Registrant's telephone number, including area code: (817) 870-2601

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No
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43,655,871 Common Shares were outstanding on August 8, 2000.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

The consolidated financial statements included herein have been prepared in conformity with generally accepted accounting principles and should be read in conjunction with the Company's 1999 Form 10-K. The statements are unaudited but reflect all adjustments which, in the opinion of management, are necessary to fairly present the Company's financial position and results of operations.

RANGE RESOURCES CORPORATION

 CONSOLIDATED BALANCE SHEETS
 (IN THOUSANDS, EXCEPT PER SHARE DATA)

	DECEMBER 31, 1999 ----	JUNE 30, 2000 ---- (unaudited)
ASSETS		
Current assets		
Cash and equivalents	\$ 12,937	\$ 210
Accounts receivable, net	21,646	28,905
IPF receivables, net (Note 4)	12,500	14,946
Inventory and other	9,130	8,450
Deferred hedging (Note 7)	--	6,018
Assets held for sale (Note 5)	19,660	--
	-----	-----
	75,873	58,529
	-----	-----
IPF receivables, net (Note 4)	52,913	43,111
Oil and gas properties, successful efforts method	975,985	981,915
Accumulated depletion	(383,622)	(411,780)
	-----	-----
	592,363	570,135
	-----	-----
Transportation, processing and field assets (Note 15)	33,777	32,958
Accumulated depreciation	(10,572)	(10,819)
	-----	-----
	23,205	22,139
	-----	-----
Other (Note 2)	8,014	6,525
	-----	-----
	\$ 752,368	\$ 700,439
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable	\$ 23,925	\$ 13,100
Accrued liabilities	16,074	19,560
Accrued interest	8,635	8,299
Current portion of debt (Note 6)	5,014	14
	-----	-----
	53,648	40,973
	-----	-----
Senior debt (Note 6)	135,000	112,000
Non-recourse debt (Note 6)	142,520	124,516
Subordinated notes (Note 6)	176,360	174,810
Commitments and contingencies (Note 8)		
Company-obligated preferred securities of subsidiary trust (Note 9)	117,669	100,240
Stockholders' equity (Notes 9 and 10)		
Preferred stock, \$1 Par, 10,000,000 shares authorized, \$2.03 convertible preferred 1,149,840 and 915,075 issued and outstanding, respectively (liquidation preference \$28,746,000 and \$22,876,875)	1,150	915
Common stock, \$.01 par, 100,000,000 shares authorized, 37,901,789 and 42,837,749 issued and outstanding, respectively	379	428
Capital in excess of par value	340,279	349,156
Retained earnings (deficit)	(214,630)	(202,599)
Other comprehensive (loss)	(7)	--
	-----	-----
	127,171	147,900
	-----	-----
	\$ 752,368	\$ 700,439
	=====	=====

SEE ACCOMPANYING NOTES.

RANGE RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	1999	2000	1999	2000
	----	----	----	----
	(unaudited)		(unaudited)	
Revenues				
Oil and gas sales	\$ 37,282	\$ 37,876	\$ 71,082	\$ 76,845
Transportation and processing	1,855	1,519	3,698	3,514
IPF income, net	2,081	3,114	3,454	5,040
Interest and other	978	(1,173)	1,915	(1,224)
	-----	-----	-----	-----
	42,196	41,336	80,149	84,175
	-----	-----	-----	-----
Expenses				
Direct operating	10,816	9,017	22,085	18,265
IPF expense	1,474	1,247	2,976	2,504
Exploration	432	541	1,362	1,420
General and administrative	1,779	2,387	3,662	4,652
Interest	12,353	10,268	24,453	20,605
Depletion, depreciation and amortization	19,809	17,216	38,939	35,321
	-----	-----	-----	-----
	46,663	40,676	93,477	82,767
	-----	-----	-----	-----
Income (loss) before taxes	(4,467)	660	(13,328)	1,408
Income taxes				
Current	50	(1,093)	170	(1,093)
Deferred	--	--	--	--
	-----	-----	-----	-----
	50	(1,093)	170	(1,093)
	-----	-----	-----	-----
Income (loss) before extraordinary item	(4,517)	1,753	(13,498)	2,501
Extraordinary item				
Gain on retirement of securities (Note 17)	2,430	6,982	2,430	10,515
	-----	-----	-----	-----
Net income (loss)	\$ (2,087)	\$ 8,735	\$ (11,068)	\$ 13,016
	=====	=====	=====	=====
Comprehensive income (loss) (Note 2)	\$ (1,258)	\$ 7,680	\$ (9,665)	\$ 11,967
	=====	=====	=====	=====
Earnings (loss) per share before extraordinary item: (Note 13)				
Basic and Dilutive	\$ (0.14)	\$ 0.06	\$ (0.40)	\$ 0.10
	=====	=====	=====	=====
Earnings (loss) per share after extraordinary item: (Note 13)				
Basic and Dilutive	\$ (0.07)	\$ 0.23	\$ (0.34)	\$ 0.36
	=====	=====	=====	=====

SEE ACCOMPANYING NOTES.

RANGE RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	SIX MONTHS ENDED JUNE 30,	
	1999	2000
	----	----
	(unaudited)	
CASH FLOWS FROM OPERATIONS:		
Net income (loss)	\$ (11,068)	\$ 13,016
Adjustments to reconcile net income (loss) to net cash provided by operations:		
Depletion, depreciation and amortization	38,939	35,321
Amortization of deferred offering costs	596	841
Changes in working capital net of effects of acquired businesses:		
Accounts receivable	2,683	(7,350)
Inventory and other	210	(1,274)
Accounts payable	(6,215)	(11,867)
Accrued liabilities	(2,712)	(1,395)
Gain on conversion of securities	(2,430)	(10,515)
(Gain) loss on sale of assets and other	(1,478)	1,909
	-----	-----
Net cash provided by operations	18,525	18,686
	-----	-----
CASH FLOWS FROM INVESTING:		
Oil and gas and other properties	(15,805)	(14,958)
IPF investments	(2,733)	(2,876)
IPF repayments	5,474	9,937
Proceeds on sale of assets	4,199	22,918
	-----	-----
Net cash provided by (used in) investing	(8,865)	15,021
	-----	-----
CASH FLOWS FROM FINANCING:		
Decrease in indebtedness	(3,826)	(46,004)
Preferred stock dividends	(1,167)	(985)
Common stock dividends	(733)	--
Common stock issuance	869	555
	-----	-----
Net cash used in financing	(4,857)	(46,434)
	-----	-----
Change in cash	4,803	(12,727)
Cash and equivalents at beginning of period	10,954	12,937
	=====	=====
Cash and equivalents at end of period	\$ 15,757	\$ 210
	=====	=====

SEE ACCOMPANYING NOTES.

RANGE RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(1) ORGANIZATION AND NATURE OF BUSINESS

Range Resources Corporation ("Range") is an independent oil and gas company engaged in development, exploration and acquisition primarily in the Southwest, Mid Continent, Gulf Coast and Appalachian regions of the United States. In addition, the Company provides financing to smaller oil and gas producers through a wholly owned subsidiary, Independent Producer Finance ("IPF"), by purchasing term overriding royalty interests in their properties. Historically, the Company has sought to increase its reserves and production primarily through acquisitions and development drilling.

In September 1999, Range and FirstEnergy Corp. ("FirstEnergy") each contributed their Appalachian oil and gas properties and gas transportation systems to Great Lakes Energy Partners ("Great Lakes"). To equalize their interest in the venture, Great Lakes assumed \$188.3 million of indebtedness from Range and FirstEnergy contributed \$2.0 million of cash.

The Company operates in an environment with numerous financial and operating risks, including, but not limited to, the ability to acquire additional reserves, the inherent risks of the search for, development and production of oil and gas, the ability to sell production at prices which provide an attractive return, the highly competitive nature of the industry and worldwide economic conditions. The Company's ability to expand its reserve base and diversify its operations is dependent on obtaining the necessary capital through internal cash flow, borrowings or the issuance of equity.

Two significant acquisitions financed principally with debt and convertible securities were completed in 1997 and 1998. Due to the poor performance of the acquired properties and the significant drop in oil and gas prices between late 1997 and 1999, the Company was forced to undertake a number of initiatives. These included a reduction in workforce, a significant decrease in capital expenditures, the sale of assets, the formation of the Great Lakes joint venture and the exchange of common stock for fixed rate securities. These initiatives resulted in the Company reducing its parent company bank debt in 1999 by over 60% to \$140. Total debt was reduced 24% during 1999 to \$459 million. While management believes these actions have stabilized the Company's financial position, debt to total capitalization at December 31, 1999 remained high at 65%. For the Company to return to its historical posture of consistent profitability and growth, management believes it is necessary to further reduce debt and associated financing costs. In addition to further asset sales, the Company anticipates it will continue to exchange common stock or other equity linked securities for its existing fixed rate securities. While the Company expects to reacquire the fixed rate securities at a substantial discount to their face value in these exchanges, existing stockholders will be substantially diluted if material portions of the fixed rate securities are exchanged. The extent of dilution will depend upon a number of factors, including the number of shares issued and the price at which stock is issued or the price which newly issued securities are convertible into common stock and the price at which existing fixed rate securities are reacquired. While a restructuring would reduce existing stockholders' proportional ownership of the Company, management believes that a restructuring could substantially increase the market value of the common stock. Any substantial restructuring will require mutually satisfactory agreements with a number of parties. While the Company currently projects that it has sufficient liquidity and cash flow to meet its obligations, a drop in oil and gas prices or a reduction in production and reserves would reduce the Company's ability to fund capital expenditures and meet its obligations. This could in turn, have a detrimental effect on the Company's ability to complete any restructuring.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The accompanying financial statements include the accounts of the Company, all majority owned subsidiaries and a pro rata share of the assets, liabilities, income and expenses of partnerships and joint ventures in which it owns an interest. Liquid investments with maturity of ninety days or less are considered cash equivalents.

REVENUE RECOGNITION

The Company recognizes revenues from the sale of products and services in the period they are delivered. Revenues at IPF are recognized in the period received. Although its receivables are concentrated in the oil and gas industry, the Company does not view this concentration as an unusual credit risk. In addition to IPF's valuation allowances, the Company had allowances for doubtful accounts of \$1.5 million and \$1.1 million at December 31, 1999 and June 30, 2000, respectively.

MARKETABLE SECURITIES

The Company has adopted Statement of Financial Accounting Standards ("SFAS") No. 115, "Accounting for Certain Investments in Debt and Equity Securities," pursuant to which debt and marketable equity securities are classified in three categories: trading, available-for-sale, or held to maturity. The Company's equity securities qualify as available-for-sale. Such securities are recorded at fair value and unrealized gains and losses are reflected in Stockholders' Equity and as a component of comprehensive income. A decline in the market value of a security below cost that is deemed other than temporary is charged to earnings and reflected in the book value of the security. Realized gains and losses are determined on the specific identification method and reflected in income.

GREAT LAKES

As noted above, the Company contributed its Appalachian assets to Great Lakes in September 1999, retaining a 50% interest in the venture. Great Lakes' proved reserves, 84% of which are natural gas, approximated 440 Bcfe at December 31, 1999. In addition, Great Lakes owns 4,700 miles of gas gathering and transportation lines and a leasehold position of nearly one million gross (984,000 net) acres. To date, the joint venture has identified over 1,400 proved drilling locations in which it owns interests within existing fields. Great Lakes has a reserve life index of 17.8 years.

INDEPENDENT PRODUCER FINANCE

IPF acquires dollar denominated term overriding royalties in oil and gas properties from smaller producers. These royalties are accounted for as receivables because the investment is recovered from an agreed upon share of revenues until a specified rate of return is received. The portion of payments received relating to the return is recognized as income, remaining receipts reduce receivables on the balance sheet and are reported as a return of capital on the statement of cash flows. Receivables classified as current are those expected to be received within twelve months. Periodically, IPF's receivables are reviewed and provisions for amounts believed uncollectible are established. At June 30, 2000, the allowance for uncollectible receivables totaled \$16.4 million. IPF income for the second quarter includes \$728,000 in reversals of previously reserved amounts. During the quarter and six months ended June 30, 2000, IPF expenses were comprised of \$0.3 million and \$0.6 million of general and administrative costs and \$0.9 million and \$1.8 million of interest, respectively. During the similar 1999 periods, IPF expenses were comprised of \$0.4 million and \$0.8 million of general and administrative costs and \$1.1 million and \$2.2 million of interest, respectively. IPF recorded allowances for bad debts of \$0.7 million and \$(0.7) million against its revenues from its portfolio of receivables in the second quarters of 1999 and 2000, and \$2.2 million and \$(0.1) million for the six months ended June 30, 1999 and 2000, respectively.

OIL AND GAS PROPERTIES

The Company follows the successful efforts method of accounting for its oil and gas properties. Exploratory costs are capitalized pending determination of whether a well is successful. Exploratory costs which result in discoveries and development cost are capitalized. Geological and geophysical costs, delay rentals and costs to drill unsuccessful exploratory wells are expensed. Depletion is provided on the unit-of-production method. Oil is converted to Mcfe at the rate of 6 Mcf per barrel. The depletion rates were \$0.99 and \$1.23 per Mcfe in the second quarters of 1999 and 2000 and \$0.98 and \$1.25 per Mcfe for the six months ended June 30, 1999 and 2000, respectively. Unproved properties had a net book value of \$61.8 million and \$54.4 million at December 31, 1999 and June 30, 2000, respectively.

The Company has adopted SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets", relating to the impairment of long-lived assets, certain intangibles and goodwill. This requires a review for impairment whenever circumstances indicate that the carrying amount of an asset may not be recoverable. In the quarter ended

September 30, 1999, the Company recorded an impairment of \$21 million on the Sterling Plant and in the fourth Quarter of 1999 an impairment of \$6.1 million was recorded on oil and gas properties. Since January 1, 2000, no impairments have been recorded.

TRANSPORTATION, PROCESSING AND FIELD ASSETS

The Company's gas gathering systems are located in proximity to certain of its principal fields. Depreciation on these systems is provided on the straight-line method based on estimated useful lives of four to fifteen years. The Company sold its only gas processing facility (the "Sterling Plant") in June 2000. See Note 5.

The Company receives fees for providing certain field services. These fees are recognized as earned. Depreciation on the associated assets is calculated on the straight-line method based on estimated useful lives of one to five years. Buildings are depreciated over seven to twenty-five years.

SECURITY ISSUANCE COSTS

Expenses associated with the issuance of debt and trust preferred securities are capitalized and included in Other Assets on the balance sheets. These costs are being amortized on the interest method over the term of the related securities. However, when a security is reacquired prior to maturity, related issuance costs are expensed.

GAS IMBALANCES

The Company uses the sales method to account for gas imbalances, recognizing revenue based on cash received rather than the proportionate share of gas produced. Gas imbalances at December 31, 1999 and June 30, 2000 were immaterial.

COMPREHENSIVE INCOME

The Company has adopted SFAS No. 130 "Reporting Comprehensive Income", requiring the disclosure of comprehensive income and its components. Comprehensive income is defined as changes in stockholders' equity from nonowner sources including net income and changes in the fair value of marketable securities. The following is a calculation of comprehensive income for the quarters and six month periods ended June 30, 1999 and 2000.

	Three Months Ended June 30,		Six months ended June 30,	
	1999	2000	1999	2000
	----	----	----	----
	(in thousands)			
Net income (loss)	\$ (2,087)	\$ 8,735	\$ (11,068)	\$ 13,016
Add: Change in unrealized gain/(loss)	915	(1,052)	1,491	(1,049)
Less: Realized gain/(loss)	(86)	(3)	(88)	--
	-----	-----	-----	-----
Comprehensive income (loss)	\$ (1,258)	\$ 7,680	\$ (9,665)	\$ 11,967
	=====	=====	=====	=====

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

RECENT ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", effective for fiscal years beginning after June 15, 2000. The pronouncement requires the recognition of all derivatives as assets or liabilities on the balance sheet and measurement of their fair value. The Company plans to adopt SFAS No. 133 in 2001 and is currently evaluating its effects. However, its

adoption is likely to increase earnings volatility.

RECLASSIFICATIONS

Certain reclassifications have been made to the presentation of prior periods to conform with current classifications.

(3) ACQUISITIONS

All acquisitions have been accounted for as purchases. Purchase prices were allocated to acquired assets and liabilities based on their estimated fair value at acquisition. Acquisitions have been funded with internal cash flow, bank borrowings, and the issuance of debt and equity securities. The Company purchased various minor properties for \$800,000 during the year ended December 1999 and \$85,000 during the six months ended June 2000.

UNAUDITED PRO FORMA FINANCIAL INFORMATION

The following table presents unaudited pro forma operating results as if the Great Lakes transaction and the sale of the Sterling Plant had occurred on January 1, 1999.

	Pro Forma Six Months Ended June 30,	
	1999	2000
	----	----
	(in thousands, except per share data)	
Revenues	\$ 78,201	\$ 82,526
Net income (loss)	(36,815)	13,733
Earnings (loss) per share - basic and dilutive	(1.05)	0.38
Total assets	871,892	697,792
Stockholders' equity	100,223	145,077

The pro forma results have been prepared for comparative purposes only and do not purport to present actual results that would have been achieved had the acquisitions, divestitures and financings been made on January 1, 1999 or to be indicative of future results.

(4) IPF RECEIVABLES

At December 31, 1999 and June 30, 2000, IPF had net receivables of \$65.4 million and \$58.1 million, respectively. The receivables result from the purchase of term overriding royalty interests payable from an agreed upon share of revenues until a specified rate of return has been achieved. The royalties constitute property interests that serve as security for the receivables. The Company estimates that \$14.9 million of receivables at June 30, 2000 will be repaid in the next twelve months and has classified them as current. The net receivables reflect allowances for uncollectible amounts of \$17.3 million and \$16.4 million at December 31, 1999 and June 30, 2000, respectively.

(5) DISPOSITIONS

At December 31, 1999, assets held for sale consisted of the Sterling Plant. In September 1999, when the decision to sell the plant was reached, it was determined that the plant's carrying value exceeded fair value. Consequently, an impairment of \$21.0 million was recognized at that time. On June 16, 2000, the Company sold the Sterling Plant effective April 1, 2000 and recorded a \$716,000 loss.

(6) INDEBTEDNESS

The Company had the following debt outstanding as of the dates shown. Interest rates, excluding the impact of interest rate swaps, at June 30, 2000 are shown parenthetically:

	December 31, 1999 ----	June 30, 2000 ----
	(in thousands)	
SENIOR DEBT		
Credit Facility (8.9%)	\$ 140,000	\$ 112,000
Other (6.2%)	14	14
	-----	-----
	140,014	112,014
Less amounts due within one year	(5,014)	(14)
	-----	-----
Senior debt, net	\$ 135,000	\$ 112,000
	=====	=====
NON-RECOURSE DEBT		
Great Lakes (8.7%)	\$ 95,020	\$ 87,516
IPF (8.6%)	47,500	37,000
	-----	-----
Non-recourse debt	\$ 142,520	\$ 124,516
	=====	=====
SUBORDINATED NOTES		
8.75% Senior Subordinated Notes due 2007	\$ 125,000	\$ 125,000
6% Convertible Subordinated Debentures due 2007	51,360	49,810
	-----	-----
Subordinated notes	\$ 176,360	\$ 174,810
	=====	=====

SENIOR DEBT

The Company maintains a \$225 million revolving bank facility (the "Credit Facility"). The Credit Facility provides for a borrowing base which is subject to redeterminations semi-annually and under certain other conditions and is secured by oil and gas properties. On July 31, 2000, the borrowing base on the Credit Facility was \$125 million of which \$8 million was available. Redeterminations are based upon a variety of factors, including the discounted present value of the banks' projection of estimated future net cash flow. A redetermined borrowing base at October 1, 2000 in excess of \$115 million will require the approval of all lenders, otherwise 75% approval is required. Interest is payable the earlier of quarterly or as LIBOR notes mature. The loan matures in February 2003. A commitment fee is paid quarterly on the undrawn balance at a rate of 0.25% to 0.50%. The interest rate on the Credit Facility is LIBOR plus 1.50% to 2.25%, depending on amounts outstanding. The weighted average interest rates on these borrowings, excluding interest rate swaps, were 6.93% and 8.99% for the quarters ended June 30, 1999 and 2000, and 7.05% and 8.65% for the six month periods ended June 30, 1999 and 2000, respectively.

NON-RECOURSE DEBT

The Company consolidates half the amount outstanding under Great Lakes' \$275 million revolving bank facility (the "Great Lakes Facility"). The Great Lakes Facility is non-recourse to Range and provides for a borrowing base, which is subject to semi-annual redeterminations and is secured by oil and gas properties. On July 31, 2000, the borrowing base was \$190 million of which \$19 million was available. Interest is payable the earlier of quarterly or as LIBOR notes mature. The loan matures in September 2002. The interest rate on the facility is LIBOR plus 1.50% to 2.00%, depending on amounts outstanding. A commitment fee is paid quarterly on the undrawn balance at a rate of 0.25% to 0.50%. The weighted average interest rate on these borrowings were 8.48% and 8.39% for the quarter and six months ended June 30, 2000, respectively.

IPF has a \$100 million revolving credit facility (the "IPF Facility"). The IPF Facility is non-recourse to Range and is secured by IPF's assets. The Facility matures in December 2002. The borrowing base under the IPF

Facility is subject to semi-annual redeterminations. On July 31, 2000, the borrowing base on the IPF Facility was \$47 million of which \$10.5 million was available. The IPF Facility bears interest at LIBOR plus 1.75% to 2.25% depending on amounts outstanding. Interest expense on the IPF Facility is included in IPF expenses on the Statements of Operations and amounted to \$1.1 million and \$0.9 million for the quarters ended June 30, 1999 and 2000, and \$2.2 million and \$1.8 million for the six months ended June 30, 1999 and 2000, respectively. A commitment fee is paid quarterly on the undrawn balance at a rate of 0.375% to 0.50%. The weighted average interest rate on these borrowings was 7.39% and 8.31% for the quarters ended June 30, 1999 and 2000, and 7.26% and 8.27% for the six months ended June 30, 1999 and 2000, respectively.

SUBORDINATED NOTES

The 8.75% Senior Subordinated Notes due 2007 (the "8.75% Notes") are not redeemable until January 15, 2002. Thereafter, they are redeemable at the option of the Company, in whole or in part, at prices beginning at 104.375% of principal, declining to par in 2005. The 8.75% Notes are unsecured general obligations and are subordinated to all senior debt (as defined) including borrowings under the Credit Facility. The 8.75% Notes are guaranteed on a senior subordinated basis by the Company's subsidiaries.

The 6% Convertible Subordinated Debentures Due 2007 (the "6% Debentures") are convertible into Common Stock at the option of the holder at any time at a price of \$19.25 per share, subject to adjustment in certain events. Interest is payable semi-annually in January and July. The 6% Debentures mature in 2007 and are currently redeemable at a price of 104% of principal amount, declining 0.5% annually each February through 2007. The 6% Debentures are unsecured general obligations and are subordinated to all senior indebtedness (as defined), including the 8.75% Notes and the Credit Facility. In the quarter and six months ended June 30, 2000, \$1,250,000 and \$1,550,000 of 6% Debentures were retired at a discount in exchange for 295,904 and 385,904 shares of Common Stock, respectively. An extraordinary gain of \$603,000 and \$126,000 was recorded for the quarter and six months ended June 30, 2000, respectively. Through June 30, 2000, \$5.2 million of the 6% Debentures have been retired at various discounts in exchange for 882,304 shares of Common Stock.

The debt agreements contain various covenants relating to net worth, working capital maintenance, restrictions on dividends and financial ratio requirements. If certain ratio requirements are not met, payments of interest on the 5-3/4% Trust Convertible Preferred Securities (the "Trust Preferred") and/or dividends on the \$2.03 Preferred would be restricted. The Company was in compliance with all such covenants at June 30, 2000. Under the most restrictive dividend covenant, the Company had the ability to pay only an additional \$5.4 million of \$2.03 Convertible Preferred dividends at June 30, 2000. As annual dividends on the \$2.03 Convertible Preferred Stock approximate \$1.9 million, such dividends may need to be suspended at some point. No decision has yet been made on this issue. The Company's Credit Facility restricts the payment of common dividends. Interest paid during the quarters ended June 30, 1999 and 2000 totaled \$9.6 million and \$9.6 million, and \$24.4 million and \$26.5 million for the six months ended June 30, 1999 and 2000, respectively. The Company does not capitalize interest expense.

(7) FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES:

The Company's financial instruments include cash and equivalents, accounts receivable, accounts payable, debt obligations, commodity and interest rate futures, options, and swaps. The book value of cash and equivalents, accounts receivable and payable and short term debt are considered to be representative of fair value because of their short maturity. The Company believes that the carrying value of its borrowings under the Credit Agreement and the Great Lakes and IPF Facilities (collectively "the Bank Facilities") approximate their fair value because of their floating rate structure.

A portion of the Company's anticipated future crude oil and natural gas sales is periodically hedged against price risks through the use of futures, option or swap contracts. Gains and losses on these instruments are reflected in the contract month being hedged as an adjustment to oil and gas revenue. At times, the Company also seeks to manage interest rate risk on its credit facility through the use of interest rate swap agreements. Gains and losses on such agreements are included as an adjustment to interest expense over the period covered.

The following table sets forth the book and estimated fair values of the Company's financial instruments:

	December 31, 1999		June 30, 2000	
	(in thousands)			
	Book Value	Fair Value	Book Value	Fair Value
Assets:				
Cash and equivalents	\$ 12,937	\$ 12,937	\$ 210	\$ 210
Marketable securities	5,086	4,756	2,934	1,867
Interest rate swaps	--	704	--	413
Total asset instruments	18,023	18,397	3,144	2,490
Liabilities:				
Commodity swaps	--	339	--	29,060
Long-term debt	458,894	428,708	411,326	372,296
Trust preferred	117,669	45,632	100,240	39,595
Total liability instruments	576,563	474,679	511,566	440,951
Net financial instruments	\$(558,540)	\$(456,282)	\$(508,422)	\$(438,461)

At June 30, 2000, the Company had open hedging contracts covering 24.6 Bcf of gas and 466,000 barrels of oil at prices ranging from \$2.37 to \$4.31 per Mcf and \$20.35 to \$27.27 per Bbl. While these transactions have no carrying value, their fair value, represented by the estimated amount that would be required to terminate the contracts, was a net loss of approximately \$29.1 million at June 30, 2000. These contracts expire monthly through March 2002. Gains or losses on hedging transactions are determined as the difference between the contract price and the reference price, generally closing prices on the NYMEX. Transaction gains and losses are determined monthly and are included in oil and gas revenues in the period the hedged production is sold. Net losses incurred relating to these derivatives for the quarters ended June 30, 1999 and 2000 approximated \$1.3 and \$9.6 million, and \$1.3 million and \$11.2 million for the six months ended June 30, 1999 and 2000, respectively. In June 2000, the Company repriced 4.1 Bcf of natural gas hedges from an average price of \$2.59 per Mmbtu to \$3.00 per Mmbtu. In exchange for such repricing, the Company hedged an average of 22,700 Mmbtu's per day from April 2001 through March 2002 at an average price of \$3.20 per Mmbtu. While the Company's payment requirement for the repriced hedges was affected, under generally accepted accounting principles the \$6.0 million of estimated net losses on the repriced hedging transactions will be recorded in the period in which they would have been recorded if the repricing had not occurred. Additionally, a deferred loss and associated liability of \$6.0 million were recorded on the balance sheet at June 30, 2000. Following is a schedule of the effect of the Company's hedge position at June 30, 2000 including the repriced hedges.

Hedging Gain (Loss) Exposure
at June 30, 2000

Quarter Ended	Impact on Oil & Gas Revenue	Repricing's Impact on Cash Flow(1)	Impact on Cash Flow
September 30, 2000	\$(18,872)	\$ 4,559	\$(14,313)
December 31, 2000	(6,437)	794	(5,643)
March 31, 2001	(3,494)	665	(2,829)
June 30, 2001		(1,747)	(1,747)
September 30, 2001		(1,503)	(1,503)
December 31, 2001		(1,633)	(1,633)
March 31, 2002		(1,392)	(1,392)
Net	\$(28,803)	\$ (257)	\$(29,060)

(1) Includes minor price variations from repricing to June 30

Interest rate swap agreements are accounted for on the accrual basis. Income or expense resulting from these agreements is recorded as an adjustment to interest expense in the period covered. At June 30, 2000, the Company had \$60 million of borrowings subject to three interest rate swap agreements at rates of 4.82%, 5.64% and 5.59% expiring in September 2000, October 2000 and October 2001, respectively. The interest rate swaps may be extended at the counterparties' option for two years. Given current interest rates, extensions are considered unlikely. The agreements require that the Company pay the counterparty interest at the above rates and requires the counterparty to pay the Company interest at the 30-day LIBOR rate. The 30-day LIBOR rate on June 30, 2000 was 6.64%. The fair value of the interest rate swap agreements at June 30, 2000, is based on then current quotes for equivalent agreements. As discussed in Note 6, interest on the Credit Facility is based on LIBOR plus an Applicable Margin (as defined).

These hedging activities are conducted with major financial or commodities trading institutions which management believes are acceptable credit risks. At times, such risks may be concentrated with certain counterparties or groups of counterparties. The credit worthiness of counterparties is subject to continuing review.

(8) COMMITMENTS AND CONTINGENCIES

The Company is involved in various legal actions and claims arising in the ordinary course of business. In the opinion of management, such litigation and claims are likely to be resolved without material adverse effect on the Company's financial position or results of operations.

In May 1998, a Domain stockholder filed an action in the Delaware Court of Chancery, alleging that the terms of the Merger were unfair to a purported class of Domain stockholders and that the defendants (except Range) violated their legal duties to the class in connection with the Merger. Range is alleged to have aided and abetted the breaches of fiduciary duty allegedly committed by the other defendants. The action sought an injunction enjoining the Merger as well as a claim for monetary damages. In September 1998, the parties executed a Memorandum of Understanding (the "MOU"), which represented a settlement in principle. Under the terms of the MOU, appraisal rights (subject to certain conditions) were offered to all holders of Domain common stock (excluding the defendants and their affiliates). Domain agreed to pay court-awarded fees and expenses of plaintiffs' counsel in an amount not to exceed \$300,000. The settlement is subject to court approval and certain other conditions that may not be satisfied.

In March 2000, a tornado struck the Company's headquarters in Fort Worth. The Company has temporarily relocated to 801 Cherry Street in Fort Worth. Losses not covered by insurance are expected to be immaterial.

(9) EQUITY AND TRUST SECURITIES

In October 1997, the Lomak Financing Trust (the "Trust"), a special purpose affiliate, issued \$120 million of Trust Preferred, represented by 2,400,000 shares of Trust Preferred priced at \$50 a share. Each Trust Preferred share is convertible at the holder's option into 2.1277 shares of Common Stock, representing a conversion price of \$23.50 per share.

The Trust invested the \$120 million of proceeds in 5 3/4% convertible junior subordinated debentures issued by the Company (the "Junior Debentures"). The sole assets of the Trust are the Junior Debentures. The Junior Debentures and the related Trust Preferred mature in November 2027. The Junior Debentures and the related Trust Preferred may be redeemed in whole or in part, on or after November 4, 2000 at a price of 104.025% of principal. The redemption price declines annually through 2007, when it reaches par. If any Junior Debentures are redeemed prior to maturity, the Trust must simultaneously redeem an equal amount of Trust Preferred.

The Company has guaranteed the payments on the Trust Preferred only to the extent the Trust has funds available. Such guarantee, when taken together with Range's obligations under the Junior Debentures and related indenture and declaration of trust, provide a full and unconditional subordinated guarantee of the Trust Preferred. The accounts of the Trust are included in Range's consolidated financial statements after appropriate eliminations of intercompany balances. Distributions on the Trust Preferred are recorded as interest expense on the Consolidated Statements of Operations and are deductible for tax purposes. These distributions are subject to limitations in the Credit Facility as described in Note 6, herein.

During the quarter and six months ended June 30, 2000, \$11.3 million and \$17.4 million of Trust Preferred were exchanged for 1,479,170 and 2,425,217 shares of Common Stock, respectively. Extraordinary gains of \$6.9 million and \$10.5 million, respectively, were recorded as the Trust Preferred was retired at a discount. Through June 30, 2000, \$19.8 million of Trust Preferred had been exchanged for 2.6 million shares of Common Stock.

In November 1995, the Company issued 1,150,000 shares of \$2.03 convertible exchangeable preferred stock (the "\$2.03 Preferred") for \$28.8 million. The \$2.03 Preferred is convertible into 2.632 shares of Common Stock representing a conversion price of \$9.50 per common share, subject to adjustment in certain events. The \$2.03 Preferred shares are currently redeemable at the option of the Company, at a price of \$26.00 per share, declining \$0.25 each November 1st through 2003. At the option of the Company, the \$2.03 Preferred is exchangeable for 8 1/8% Convertible Subordinated Notes subject to the same redemption and conversion terms as the \$2.03 Preferred. In the quarter and six months ended June 30, 2000, \$2.8 million and \$5.9 million of the \$2.03 Preferred was retired for 880,000 and 1,661,869 shares of Common Stock. In total, \$5.9 million of the \$2.03 Preferred has been retired through June 30, 2000. No gain on the exchange was included in net income as the \$2.03 Preferred is an equity security; however, the gain was included in income available to common shareholders. See Note 13, herein.

In May 2000, Shareholders approved an increase in the number of authorized shares of Common Stock from 50 million to 100 million.

Six Months Ended June 30,

1999	2000
------	------

Supplemental disclosures of non-cash investing and financing activities:

Common stock issued in connection with benefit plans	\$ 375	\$ 311
Common stock exchanged for convertible securities	3,356	11,312

(10) STOCK OPTION AND PURCHASE PLANS

The Company has four stock option plans (two of which are currently active) and a stock purchase plan. Under these plans, incentive and non-qualified options and stock purchase rights are issued to directors, officers, and employees pursuant to decisions of the Compensation Committee of the Board. Information with respect to the stock option plans is summarized below:

	1999 Option Plan	1989 Option Plan	Directors' Option Plan	Domain Option Plan	Total
Outstanding at December 31, 1999	60,000	2,496,482	168,000	563,267	3,287,749
Granted	623,200	--	48,000	--	671,200
Exercised	--	(215,075)	--	--	(215,075)
Expired/Cancelled	(2,500)	(1,098,037)	(67,200)	(215,605)	(1,383,342)
Outstanding at June 30, 2000	680,700	1,183,370	148,800	347,662	2,360,532

In May 1999, Shareholders approved the 1999 Stock Incentive Plan (the "1999 Option Plan") providing for the issuance of options on up to 1.4 million shares of Common Stock. All options issued under the 1999 Option Plan vest 25% per year beginning one year after grant and expire in 10 years. During the six months ended June 30, 2000, 623,200 options were granted under this plan at exercise prices ranging from \$1.9375 to \$2.6875. Prior to those grants, 60,000 options were outstanding at a price of \$2.6250 to \$18.000.

The Company also maintains the 1989 Stock Option Plan (the "1989 Option Plan") which authorized the issuance of options on up to 3.0 million shares of Common Stock. No options have been granted under this plan since the adoption of the 1999 Option Plan. All options issued under the 1989 Option Plan vest 30% after one year, 60% after two years and 100% after three years and expire in 5 years. At June 30, 2000, 1,183,370 options are outstanding under the 1989 plan at exercise prices ranging from \$2.8125 to \$16.8750.

In 1994, Shareholders approved the 1994 Directors Stock Option Plan (the "Directors' Option Plan") in which only non-employee Directors may participate. In May 2000, Shareholders approved an increase in the number of options which could be issued under this Plan to 300,000 shares, extended the term of the options to ten years and extended the vesting period to four years. A total of 148,800 options are outstanding under the 1989 plan at exercise prices ranging from \$2.8125 to \$16.8750.

In the Domain acquisition, the Domain's stock option plan (the "Domain Option Plan") was adopted. Since that time, no options have been granted under this plan and existing options became exercisable into Range Common Stock. A total of 347,662 options are outstanding at prices ranging from \$0.01 to \$3.46.

In total, 2,360,532 options are outstanding at exercise prices ranging from \$0.01 to \$18.00.

In 1997, Shareholders approved the 1997 Stock Purchase Plan (the "Stock Purchase Plan") authorizing the sale of up to 900,000 shares of Common Stock to officers, directors, key employees and consultants. Under the Stock Purchase Plan, the right to purchase shares at prices ranging from 50% to 85% of market value may be granted. Through June 30, 2000, all purchase rights have been granted at 75% of market value. In May 2000, Shareholders approved an increase in the number of shares authorized for issuance under the Stock Purchase Plan to 1,250,000.

(11) BENEFIT PLAN

The Company maintains a 401(k) Plan for the benefit of its employees. The Plan permits employees to contribute up to 15% of their salary on a pre-tax basis. The Company makes discretionary contributions to the 401(k) Plan annually. In 1999, the Company contributed \$900,000 of Common Stock (valued at market) to the 401(k) Plan.

(12) INCOME TAXES

The Company's federal income tax provision for the six months ended June 30, 1999 and 2000, respectively, was \$170,000 and \$(1.1) million. The \$(1.1) million second quarter provision represents the reversal of a prior estimate. The Company follows FAS Statement No. 109, "Accounting for Income Taxes" pursuant to which the liability method is used in accounting for taxes. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and regulations that will be in effect when the differences are expected to reverse. At June 30, 2000, the Company had a \$21.3 million deferred tax asset. As utilization of this asset is dependent on future taxable income and sufficient uncertainty exists regarding the amount and timing of future taxable income, a valuation allowance sufficient to bring the book value of the deferred tax asset to zero has been recorded at June 30, 2000.

The Company has entered into several business combinations which collectively resulted in the recording of deferred tax assets and liabilities of \$7.7 million and \$38.3 million, respectively. The Company experienced a change of control in 1988 as defined by the Internal Revenue Code. As a result of this event and the Domain acquisition, there are limitations on the Company's ability to utilize net operating loss carryovers. At December 31, 1999, the Company had net operating loss carryovers of \$127 million and alternative minimum tax net operating loss ("NOLs") carryovers of \$113 million that expire between 2000 and 2014. In general terms, NOLs generated in prechange of control years can be utilized up to \$10.6 million per year, while NOLs generated post change of control are not limited. The Company also has a statutory depletion carryover of \$4.9 million and an alternative minimum tax credit carryover of \$0.7 million, which are not subject to limitations or expiration.

(13) EARNINGS PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings per common share (in thousands except per share amounts):

	Three Months Ended June 30, -----		Six Months Ended June 30, -----	
	1999 ----	2000 ----	1999 ----	2000 ----
Numerator:				
Net income (loss) before extraordinary item	\$ (4,517)	\$ 1,753	\$ (13,498)	\$ 2,501
Gain on retirement of \$2.03 Preferred Stock	--	1,210	--	2,324
Preferred stock dividends	(584)	(464)	(1,167)	(985)
	-----	-----	-----	-----
Numerator for earnings per common share, before extraordinary item	(5,101)	2,499	(14,665)	3,840
Extraordinary item				
Gain on retirement of securities	2,430	6,982	2,430	10,515
	-----	-----	-----	-----
Numerator for earnings per common share	(2,671)	9,481	(12,235)	14,355
Effect of dilutive securities:				
Preferred stock dividends	--	--	--	--
	-----	-----	-----	-----
Numerator for earnings per common share - assuming dilution	\$ (2,671)	\$ 9,481	\$ (12,235)	\$ 14,355
	=====	=====	=====	=====
Denominator:				
Denominator for earnings per common share - weighted average shares	36,619	41,005	36,442	40,006
Effect of dilutive securities:				
Employee stock options	--	135	--	135
Dilutive potential common shares	--	--	--	--
	=====	=====	=====	=====
Denominator for diluted earnings per share Adjusted weighted-average shares and assumed conversions	36,619	41,140	36,442	40,141
	=====	=====	=====	=====
Earnings (loss) per share, before extraordinary items - basic and diluted	\$ (0.14)	\$ 0.06	\$ (0.40)	\$ 0.10
	=====	=====	=====	=====
Earnings (loss) per share - basic and diluted	\$ (0.07)	\$ 0.23	\$ (0.34)	\$ 0.36
	=====	=====	=====	=====

A total of 134,752 stock options were included in the computation of diluted earnings per share. All remaining stock options, the 6% Debentures and the \$2.03 Preferred were not included in the computation because their inclusion would have been antidilutive.

The Company has and will continue to consider exchanging Common Stock or other equity linked securities for certain of its fixed income securities at a discount. Existing common stockholders may be materially diluted if substantial exchanges are consummated. The extent of dilution will depend on the number of shares and price at which Common Stock is issued, the price at which newly issued securities are convertible into Common Stock, and the price at which fixed income securities are acquired.

(14) MAJOR CUSTOMERS

The Company markets its production on a competitive basis. Gas is sold under various types of contracts ranging from life-of-the-well to short-term contracts which are cancelable within 30 days. Prior to hedging, approximately 97% of the Company's gas production is currently sold under market sensitive contracts. Oil purchasers may be changed on 30 days notice. The price received is generally equal to a posted price set by major purchasers in the area. The Company sells to oil purchasers on a basis of price and service. For the six months ended June 30, 2000, one customer accounted for 10% or more of total oil and gas revenues. Management believes that the loss of any one customer would not have a material adverse effect on the Company.

Great Lakes sells its gas production to FirstEnergy on a negotiated basis. While Great Lakes may sell gas to third parties, such arrangements must be contracted through FirstEnergy and FirstEnergy has the right to match any such arrangements.

(15) OIL AND GAS ACTIVITIES

The following summarizes selected information with respect to oil and gas producing activities:

	December 31, 1999	June 30, 2000
	(in thousands)	
Oil and gas properties:		
Subject to depletion	\$ 914,173	\$ 927,491
Unproved	61,812	54,432
	-----	-----
Total	975,985	981,923
Accumulated depletion	(383,622)	(411,780)
	-----	-----
Net oil and gas properties	\$ 592,363	\$ 570,143
	=====	=====

	Year Ended December 31, 1999	Six Months Ended June 30, 2000
	(in thousands)	
Costs incurred:		
Acquisition	\$ 846	\$ 85
Development	33,808	11,401
Exploration	3,604	4,395
	-----	-----
Total costs incurred	\$38,258	\$15,881
	=====	=====

Acquisition costs in 1999 do not reflect \$68 million of value associated with the Company receiving a 50% interest in the reserves contributed by FirstEnergy to Great Lakes. The Company's share of such reserves was 81.6 Bcfe.

(16) INVESTMENT IN GREAT LAKES

As described in Note 2, the Company owns 50% of Great Lakes and consolidates its interest in the joint venture's assets, liabilities, revenues and expenses. The operations of Great Lakes were not reflected in the June 30, 1999 financial statements because the joint venture had not yet been formed. The following table summarizes the Company's interest in selected financial data from Great Lakes' unaudited financial statements at or for the six month period ended June 30, 2000.

	June 30, 2000 (in thousands)

Current assets	\$ 9,172
Oil and gas properties, net	142,066
Transportation, and field assets, net	18,030
Other assets	868
Current liabilities	7,096
Long-term debt	87,516
Members' equity	75,521
Revenues	22,219
Net income	2,478

(17) EXTRAORDINARY ITEM

During the six months ended June 30, 2000, 2,811,121 shares of Common Stock were exchanged for \$17.4 million of Trust Preferred and \$1.6 million of 6% Debentures. In connection with these exchanges, a \$10.5 million extraordinary gain was recorded because the Trust Preferred and 6% Debentures were retired at a discount. In addition, 1,661,869 shares of Common Stock were exchanged for \$5.9 million of the \$2.03 Preferred.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FACTORS AFFECTING FINANCIAL CONDITION AND LIQUIDITY

LIQUIDITY AND CAPITAL RESOURCES

During the six months ended June 30, 2000, the Company spent \$15.9 million on development, exploration and acquisitions, and debt decreased by \$47.6 million to \$411.3 million. At June 30, 2000, the Company had \$210,000 in cash, total assets of \$700 million and a debt to book capitalization ratio of 62.3%. The \$12.7 million decline in cash from December 31, 1999 was in part a result of the Company's focus on reducing Credit Facility outstandings and associated interest cost. The unused borrowing base available to the Company at June 30, 2000 was \$13 million.

Long-term debt at June 30, 2000 totaled \$411.3 million and included \$112.0 million of borrowings under the Credit Facility, \$87.5 million under the non-recourse Great Lakes Facility, \$37 million under the non-recourse IPF Facility, \$125.0 million of 8.75% Senior Subordinated Notes and \$49.8 million of 6% Convertible Subordinated Debentures.

During the six months ended June 30, 2000, 2,811,121 shares of Common Stock were exchanged for \$17.4 million of Trust Preferred and \$1.6 million of 6% Debentures. A \$10.5 million extraordinary gain was recorded as the Trust Preferred and 6% Debentures were acquired at a discount. In addition, 1,661,869 shares of Common Stock were exchanged for \$5.9 million of the \$2.03 Preferred Stock.

In September 1999, the Company decided to sell the Sterling Plant and reduced the carrying value of the plant to its fair value. Accordingly, an impairment of \$21.0 million was recorded. The sale of the plant in June 2000 resulted in a loss of \$716,000.

The Company currently believes its capital resources will be adequate to meet the requirements of its business for the next twelve months. However, future cash flows are subject to a number of variables including the level of production and prices as well as various economic conditions that have historically affected the oil and gas business. There can be no assurance that internal cash flow and other capital sources will provide sufficient funds to maintain planned capital expenditures.

Cash Flow

The Company's principal sources of cash are operating cash flow and bank borrowings. The Company's cash flow is highly dependent on oil and gas prices. Decreases in prices and lower production at certain properties reduced cash flow sharply in early 1999 and resulted in the reduction of the Company's borrowing base. Simultaneously, the Company sharply reduced its acquisition, development and exploration spending. While the \$15.9 million of capital expenditures for the six months ended June 30, 2000, were funded with internal cash flow, the amount expended was not sufficient to fully replace production. Proved reserves declined during 1999 and, except for the impact of higher prices, reserves would have declined in the six months ended June 30, 2000.

Net cash provided by operations for the six month periods ended June 30, 1999 and 2000 was \$18.5 million and \$18.7 million, respectively. Cash flow from operations remained flat as higher prices, a decrease in direct operating costs and lower interest expense, offset the decline in production and the increase in general and administrative expense.

Net cash provided by (used in) investing for the six months ended June 30, 1999 and 2000 was \$(8.9) million and \$15 million, respectively. Investing activities for these periods are comprised primarily of additions to oil and gas properties, proceeds from the asset sales, and, to a minor extent, IPF investments and exploration.

Net cash used in financing for the six months ended June 30, 1999 and 2000 was \$4.9 million and \$46.4 million, respectively. During the first six months of 2000, recourse debt decreased by \$29.6 million and total debt decreased by \$47.6 million. The reduction in debt was the result of applying excess cash flow and proceeds from the sale of assets to debt repayment and exchanges of Common Stock for debt securities. In addition, the amount of

Trust Preferred outstanding decreased \$17.4 million in the same period due to exchanges of such securities into Common Stock.

Capital Requirements

During the six months ended June 30, 2000, \$15.9 million of capital was expended, primarily on development projects. In an effort to reduce debt, the Company manages its capital budget with a goal of fully funding it with internal cash flow. Development and exploration activities are highly discretionary, and management expects such activities to be maintained at levels below internally generated cash flow. Remaining cash flow should be available for debt repayment. See "Business--Development and Exploration Activities."

Bank Facilities

The Credit Facility is secured by oil and gas properties. At July 31, 2000, the borrowing base on the Credit Facility was \$125 million of which \$8 million was available. The borrowing base is subject to redetermination each April and October, as well as under special circumstances. The borrowing base is dependent on a number of factors, including the lenders' discounted present value of estimated future net cash flow from production. Any borrowing base in excess of \$115 million on October 1, 2000 will require unanimous approval. One equal to or less than \$115 million will require 75% approval.

The Company plans to reduce outstandings under the Credit Facility through operating cash flow and possibly, further asset sales. During the six months ended June 30, 2000, the Company sold properties and used the \$22.9 million of proceeds to reduce outstandings under the Credit Facility. Subsequent to June 30, 2000, the Company has realized an additional \$1.9 million of proceeds from property sales. The Company is considering the sale of certain other non-strategic assets. However, there are currently no agreements to sell any material assets.

The Company consolidates 50% of amounts outstanding under Great Lakes's \$275 million revolving bank facility (the "Great Lakes Facility"). However, the Facility is non-recourse to Range. The Great Lakes Facility provides for a borrowing base which is subject to semi-annual redeterminations and is secured by virtually all of the joint venture's assets. At July 31, 2000, the borrowing base on the Great Lakes Facility was \$190 million of which \$19 million was available. The borrowing base is subject to a semi-annual redeterminations in April and October. Borrowing base redeterminations require the approval of all lenders.

IPF maintains a \$100 million revolving credit facility (the "IPF Facility"). The Facility is secured by substantially all of IPF's assets and is non-recourse to Range. The borrowing base under the IPF Facility is subject to semi-annual redeterminations in April and October. On July 31, 2000, the borrowing base on the IPF Facility was \$47 million of which \$10.5 million was available.

Oil and Gas Hedging

The Company regularly enters into futures, option and swap contracts to reduce the effects of fluctuations in oil and gas prices. All such contracts are entered into solely to hedge price and limit volatility. The Company's policy is to hedge no more than 80% of its production in any twelve month period. At June 30, 2000, the Company had open hedges covering 24.6 Bcf of gas and 466,000 barrels of oil. The contracts are at prices ranging from \$2.37 to \$4.31 per Mmbtu and from \$20.35 to \$27.27 per Bbl. While these transactions have no carrying value, the mark-to-market exposure under these contracts at June 30, 2000 would represent a net loss of approximately \$29.1 million. The contracts expire monthly through March 2002. Gains or losses on hedging transactions are determined as the difference between the contract price and a reference price, generally closing prices on the NYMEX. Gains and losses are determined monthly and are included in oil and gas revenues in the period the hedged production is sold. Losses relating to derivatives for the six months ended June 30, 1999 and 2000 approximated \$1.3 and \$11.2 million, respectively. On June 21, 2000, 4.1 Bcf of natural gas hedges were repriced from an average price of \$2.59 per Mmbtu to \$3.00 per Mmbtu. In exchange, the Company hedged an average of 22,700 Mmbtu's per day from April 2001 through March 2002 at an average price of \$3.20 per Mmbtu. While the payment requirements for the repriced hedges were affected, the \$6.0 million of estimated net losses on these hedging transactions will be recorded in the month such losses would have been recorded had the repricing not occurred. A deferred loss and associated liability of \$6.0 million was recorded by the Company on the June 30, 2000 balance sheet. See Note 7 for a table that summarizes the effect of the Company's hedge position at June 30, 2000, including the repriced hedges.

Interest Rate Hedging

At June 30, 2000, Range had \$411.3 million of debt outstanding. Of this amount, \$174.8 million bears interest at fixed rates averaging 8.0%. The remaining \$236.5 million of debt bears interest at floating rates which averaged 8.7% at June 30th. At June 30, 2000, the Company had three interest rate swap agreements covering \$60 million of aggregate principal at rates of 4.82%, 5.64% and 5.59%. These agreements expire in September 2000, October 2000 and October of 2001, respectively. The interest rate swaps may be extended at the counterparties' option for two years. However, given current interest rates, they are not expected to be extended. The agreements require that the Company pay the counterparty interest at the above fixed swap rates and require the counterparty to pay the Company interest at the 30-day LIBOR rate. The closing 30-day LIBOR rate on June 30, 2000 was 6.64%. A 1% increase in short-term interest rates on the floating-rate debt outstanding at June 30, 2000 would cost the Company approximately \$2.4 million on an annual basis.

Capital Restructuring Program

As more fully described in Note 1 herein, the Company has undertaken a number of initiatives including the sale of assets and the exchange of Common Stock for fixed rate securities. These initiatives resulted in reducing parent company bank debt to \$112 million and total debt to \$411.3 million at June 30, 2000. While the Company currently believes it has sufficient liquidity and cash flow to meet its obligations for the next twelve months, a drop in oil and gas prices or a reduction in production or reserves would reduce the Company's ability to fund capital expenditures and meet its obligations. Such changes could also have a detrimental effect on the Company's ability to complete a restructuring.

INFLATION AND CHANGES IN PRICES

The Company's revenues and the value of its assets have been and will continue to be affected by changes in oil and gas prices. The Company's ability to maintain current borrowing capacity and to obtain additional capital on attractive terms is also dependent on oil and gas prices. Oil and gas prices are subject to significant fluctuations that are beyond the Company's ability to control or predict. During the first six months of 2000, the Company received an average of \$20.87 per barrel of oil and \$2.59 per Mcf of gas after hedging. Although certain of the Company's costs and expenses are affected by the general inflation, inflation does not normally have a significant effect on it. Should conditions in the oil industry continue to improve, inflationary pressures specific to the industry may accelerate.

RESULTS OF OPERATIONS

Comparison of 2000 to 1999

Quarters Ended June 30, 1999 and 2000

The Company reported net income for the second quarter of 2000 of \$8.7 million, as compared to a net loss of \$2.1 million for the comparable period in 1999. Net income in the quarter ended June 30, 2000 included \$7.0 million extraordinary gains on Trust Preferred and 6% Debentures retired at a discount. Oil and gas revenues were flat for the quarter then ended as compared to the similar period in 1999. Production decreased to 151,000 Mcfe per day, a 24% decrease from the 1999 quarter. The decline was primarily attributable to the Great Lakes transaction and the effect of asset divestitures. Revenues benefited from a 33% increase in average price received per Mcfe to \$2.75 partially offset by a 24% decrease in production. The average oil price increased 45% to \$21.98 per barrel and average gas prices increased 24% to \$2.47 per Mcf. Production expenses decreased 16.6% to \$9.0 million in the quarter versus \$10.8 million in the comparable 1999 period largely as a result of the Great Lakes transaction. The average operating cost per Mcfe produced rose from \$0.61 in 1999 to \$0.67 in the first half of 2000.

Transportation, processing and marketing revenues decreased slightly to \$1.5 million for the quarter ended June 30, 2000 due to higher processing revenues caused by higher natural gas liquids prices offset by the effect of the sale of the Sterling gas plant effective in April 2000. IPF income of \$3.1 million consisted of the return portion of its royalties and a \$728,000 reversal of reserves previously provided for uncollectible amounts. The results represented a 50% increase over the 1999 period. During the quarter ended June 30, 2000, IPF expenses included \$0.3 million of administrative costs and \$0.9 million of interest.

Exploration expense increased to \$541,00, an increase of \$109,000 from the second quarter of 1999.

General and administrative expenses increased 34.1% to \$2.4 million in the second quarter of 2000. The increase primarily resulted from the decision to no longer capitalize any overhead beginning in July 1999. In the second quarter of 1999, \$0.5 million of general and administrative expenses were capitalized.

Interest and other income decreased \$2.2 million primarily due to losses incurred on the sale of assets of \$1.6 million compared to gains of \$0.8 million in the 1999 period. Interest expense decreased 17.1% to \$10.2 million primarily as a result of the lower average outstandings partially offset by higher interest rates. The average outstanding balances on the Credit Facility were \$371 million and \$136 million, for the quarter ended June 30, 1999 and 2000, respectively, and the weighted average interest rates were 7.0% and 9.0%.

Depletion, depreciation and amortization ("DD&A") decreased 12.5% from the second quarter of 1999 due to lower production. However, lower proved reserves caused the Company's depletion rate to increase from \$0.96 to \$1.23 per Mcfe. The Company currently estimates that its DD&A rate for the remainder of 2000 will approximate \$1.28 per Mcfe. The Company's high DD&A rate will make it difficult to sustain profitability if energy prices decline materially.

Six Month periods ended June 30, 1999 and 2000

The Company reported net income of \$13.0 million as compared to a loss of \$11.1 million for the comparable six month periods ended June 30, 2000 and 1999, respectively. Net income in the six months ended June 30, 2000 included \$10.5 million extraordinary gains on Trust Preferred and 6% Debentures retired at a discount. Oil and gas revenues increased 8.1% to \$76.8 million for the six months ended June 30, 2000 as compared to the similar period in 1999. Production decreased to 150,600 Mcfe per day, a 25% decrease from the 1999 period. The decline was primarily attributable to the Great Lakes transaction and the effect of asset divestitures. Revenues benefited from a 44% increase in average price received per Mcfe to \$2.80 partially offset by a 16% decrease in production. The average oil price increased 61% to \$20.87 per barrel and average gas prices increased 34% to \$2.59 per Mcf. Production expenses decreased 17.3% to \$18.3 million versus \$22.1 million in the comparable 1999 period largely as a result of the Great Lakes transaction. The average operating cost per Mcfe produced rose from \$0.61 in 1999 to \$0.67 in the first half of 2000.

Transportation, processing and marketing revenues decreased slightly to \$3.5 million for the six month period ended June 30, 2000 due to higher processing revenues caused by higher natural gas liquids prices offset by the effect of the sale of the Sterling gas plant effective April 1, 2000. IPF income of \$5.0 million consisted of the return portion of its royalties and a \$727,000 reversal of reserves previously provided for uncollectible amounts. The results represented a 46% increase over the 1999 period. During the six months ended June 30, 2000, IPF expenses included \$0.6 million of administrative costs and \$1.8 million of interest.

Exploration expense of \$1.4 million was comparable with the 1999 period.

General and administrative expenses increased 27% to \$4.7 million. The increase primarily resulted from the decision to no longer capitalize any overhead beginning in July 1999. In the comparable period of 1999, \$0.9 million of general and administrative expenses were capitalized.

Interest and other income decreased \$3.1 million primarily due to losses incurred on the sale of assets of \$1.9 million compared to gains of \$1.5 million in the 1999 period. Interest expense decreased 15.7% to \$20.6 million primarily as a result of the lower average outstandings partially offset by higher interest rates. The average outstanding balances on the Credit Facility were \$370 million and \$140 million, for the six months ended June 30, 1999 and 2000, respectively, and the weighted average interest rates were 6.9% and 8.7%.

DD&A decreased 4.6% from the 1999 period due to lower production. However, lower proved reserves caused the Company's depletion rate to increase from \$0.98 to \$1.25 per Mcfe. The Company currently estimates that its DD&A rate for the remainder of 2000 will approximate \$1.28 per Mcfe. The Company's high DD&A rate will make it difficult to sustain profitability if energy prices decline materially.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The primary objective of the following information is to provide forward-looking quantitative and qualitative information about Range's potential exposure to market risks. The term "market risk" refers to the risk of loss arising from adverse changes in oil and gas prices and interest rates. The disclosures are not meant to be precise indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how Range views and manages its ongoing market risk exposures. All of Range's market risk sensitive instruments were entered into for purposes other than trading.

Commodity Price Risk. Range's major market risk exposure is in the pricing applicable to its oil and gas production. Realized pricing is primarily driven by the prevailing worldwide price for crude oil and spot market prices applicable to U.S. natural gas production. Pricing for oil and gas production has been volatile and unpredictable for several years.

Range periodically enters into financial hedging activities with respect to a portion of its projected oil and natural gas production through financial swaps whereby Range will receive a fixed price for its production and pay a variable market price to the contract counterparty. These financial hedging activities are intended to support oil and gas price fluctuations. Realized gains and losses from the settlement of these financial hedging instruments are recognized in oil and gas revenues when the associated production occurs. The gains and losses realized as a result of these hedging activities are substantially offset in the cash market when the commodity is delivered. Range does not hold or issue derivative instruments for trading purposes.

As of June 30, 2000, Range had financial oil and gas price hedging instruments in place that represented approximately 466,000 barrels of oil production and approximately 24.6 Bcf of gas production. While these transactions have no carrying value, their fair value, represented by the estimated amount that would be required to terminate the contracts, was a net loss of approximately \$29.1 million at June 30, 2000. These contracts expire monthly through March 2002 on gas and through December 2000 on oil. The gains or losses on the Company's hedging transactions are determined as the difference between the contract price and the reference price, generally closing prices on the New York Mercantile Exchange. The resulting transaction gains and losses are determined monthly and are included in net income in the period the hedged production or inventory is sold. Net gains or (losses) incurred relating to these derivatives for the six months ended June 30, 1999 and 2000 approximated \$1.3 million and \$11.2 million, respectively.

The Company seeks to reduce the volatility of its oil and gas revenue through hedging transactions. Should the price of a commodity decline, the revenue received from the sale of the product declines to a corresponding extent. The decline in revenue is then partially offset based on the amount of product hedged and the hedge price. In the second quarter 2000, a 10% reduction in oil and gas prices would have reduced revenue received by \$4.4 million, which would have been largely offset by a reduction in hedging losses of \$3.9 million. In addition, the June 30, 2000 hedging loss exposure would have been reduced by \$11.4 million.

At June 30, 2000, Range had \$411.3 million of debt outstanding. Of this amount, \$174.8 million bears interest at fixed rates averaging 8.0%. The remaining \$236.5 million of debt bears interest at floating rates which averaged 8.7% for the six months then ended. At June 30, 2000, the Company had three interest rate swap agreements covering \$60 million of aggregate principal at rates of 4.82%, 5.64% and 5.59% which expire in September 2000, October 2000, and October 2001, respectively. The interest rate swaps may be extended at the counterparties' option for two years. However, given current interest rates, they are not expected to be extended. The agreements require that the Company pay the counterparty interest at the above fixed swap rates and require the counterparty to pay the Company interest at the 30-day LIBOR rate. The closing 30-day LIBOR rate on June 30, 2000 was 6.64%. A 1% increase in short-term interest rates on the floating-rate debt outstanding at June 30, 2000 would cost the Company approximately \$2.4 million on an annual basis.

GLOSSARY

The terms defined in this glossary are used throughout this Form 10-Q.

Bbl. One stock tank barrel, or 42 U.S. gallons liquid volume, used herein in reference to crude oil or other liquid hydrocarbons.

Bcf. One billion cubic feet.

Bcfe. One billion cubic feet of natural gas equivalents, based on a ratio of 6 Mcf for each barrel of oil, which reflects the relative energy content.

Development well. A well drilled within the proved area of an oil or natural gas reservoir to the depth of a stratigraphic horizon known to be productive.

Dry hole. A well found to be incapable of producing either oil or natural gas in sufficient quantities to justify completion as an oil or gas well.

Exploratory well. A well drilled to find and produce oil or gas in an unproved area, to find a new reservoir in a field previously found to be productive of oil or gas in another reservoir, or to extend a known reservoir.

Gross acres or gross wells. The total acres or wells, as the case may be, in which a working interest is owned.

Infill well. A well drilled between known producing wells to better exploit the reservoir.

Mbbl. One thousand barrels of crude oil or other liquid hydrocarbons.

Mcf. One thousand cubic feet.

Mcf/d. One thousand cubic feet per day.

Mcfe. One thousand cubic feet of natural gas equivalents, based on a ratio of 6 Mcf for each barrel of oil, which reflects the relative energy content.

Mmbbl. One million barrels of crude oil or other liquid hydrocarbons.

MmBtu. One million British thermal units. One British thermal unit is the heat required to raise the temperature of a one-pound mass of water from 58.5 to 59.5 degrees Fahrenheit.

Mmcf. One million cubic feet.

Mmcfe. One million cubic feet of natural gas equivalents.

Net acres or net wells. The sum of the fractional working interests owned in gross acres or gross wells.

Net oil and gas sales. Oil and natural gas sales less oil and natural gas production expenses.

Present Value. The pre-tax present value, discounted at 10%, of future net cash flows from estimated proved reserves, calculated holding prices and costs constant at amounts in effect on the date of the report (unless such prices or costs are subject to change pursuant to contractual provisions) and otherwise in accordance with the Commission's rules for inclusion of oil and gas reserve information in financial statements filed with the Commission.

Productive well. A well that is producing oil or gas or that is capable of production.

Proved developed non-producing reserves. Reserves that consist of (i) proved reserves from wells which have been completed and tested but are not producing due to lack of market or minor completion problems which are expected to be corrected and (ii) proved reserves currently behind the pipe in existing wells and which are expected to be productive due to both the well log characteristics and analogous production in the immediate vicinity of the wells.

Proved developed producing reserves. Proved reserves that can be expected to be recovered from currently producing zones under the continuation of present operating methods.

Proved developed reserves. Proved reserves that can be expected to be recovered through existing wells with existing equipment and operating methods.

Proved reserves. The estimated quantities of crude oil, natural gas and natural gas liquids which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions.

Proved undeveloped reserves. Proved reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion.

Recompletion. The completion for production of an existing wellbore in another formation from that in which the well has previously been completed.

Reserve life index. The presentation of proved reserves defined in number of years of annual production.

Royalty interest. An interest in an oil and gas property entitling the owner to a share of oil and natural gas production free of costs of production.

Standardized Measure. The present value, discounted at 10%, of future net cash flows from estimated proved reserves after income taxes calculated holding prices and costs constant at amounts in effect on the date of the report (unless such prices or costs are subject to change pursuant to contractual provisions) and otherwise in accordance with the Commission's rules for inclusion of oil and gas reserve information in financial statements filed with the Commission.

Term overriding royalty. A royalty interest that is carved out of the operating or working interest in a well. Its term does not extend to the economic life of the property and is of shorter duration than the underlying working interest. The term overriding royalties in which the Company participates through its Independent Producer Finance subsidiary typically extend until amounts financed and a designated rate of return have been achieved. At such point in time, the override interest reverts back to the working interest owner.

Working interest. The operating interest that gives the owner the right to drill, produce and conduct operating activities on the property and a share of production, subject to all royalties, overriding royalties and other burdens and to all costs of exploration, development and operations and all risks in connection therewith.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in various legal actions and claims arising in the ordinary course of business. In the opinion of management, such litigation and claims are likely to be resolved without material adverse effect on the Company's financial position or results of operations.

In May 1998, a Domain stockholder filed an action in the Delaware Court of Chancery, alleging that the terms of the Merger were unfair to a purported class of Domain stockholders and that the defendants (except Range) violated their legal duties to the class in connection with the Merger. Range is alleged to have aided and abetted the breaches of fiduciary duty allegedly committed by the other defendants. The action sought an injunction enjoining the Merger as well as a claim for monetary damages. In September 1998, the parties executed a Memorandum of Understanding (the "MOU"), which represents a settlement in principle of the litigation. Under the terms of the MOU, appraisal rights (subject to certain conditions) were offered to all holders of Domain common stock (excluding the defendants and their affiliates). Domain also agreed to pay any court-awarded attorneys' fees and expenses of the plaintiffs' counsel in an amount not to exceed \$300,000. The settlement in principle is subject to court approval and certain other conditions that have not been satisfied.

Item 2. Changes in Securities and Use of Proceeds

- (a) Not applicable
- (b) Not applicable
- (c) At various times during the quarter ended June 30, 2000, Range issued common stock in exchange for certain of Range's convertible securities. The shares of common stock issued in such exchanges were exempt from registration under Section 3(a)(9) of the Securities Act of 1933. During the quarter ended June 30, 2000, a total of \$1.25 million face value of the 6% Debentures were retired in exchange for 295,904 shares of common stock, a total of \$11.25 million of the Trust Preferred were retired in exchange for 1,479,170 shares of common stock and a total of \$2.75 million face value of \$2.03 Preferred was retired in exchange for 880,000 shares of common stock.
- (d) Not applicable.

Item 3. Not applicable

Item 4. Submission of Matters to a Vote of Security Holders

On May 24, 2000, the Company held its Annual Meeting of Stockholders. At such meeting Robert E. Aikman, Anthony V. Dub, Thomas J. Edelman, Allen Finkelson, Ben A. Guill, Jonathan S. Liner, and John H. Pinkerton were reelected as Directors of the Company. In June 2000, Ben A. Guill resigned and James E. McCormick was elected to the Board.

At the Annual Meeting the shareholders approved the following:

1. An increase in the number of authorized Common shares to 100 million.
2. An increase in the Common shares authorized for issuance under the Company's Stock Purchase Plan to 1,250,00 shares.
3. An Amendment to the Company's Directors Option Plan extending the term of the options to ten years and extending the vesting period to four years.
4. An increase in the number of Common shares authorized for issuance under the Directors Option Plan to 300,000 shares.

Results of Voting: -----	Votes For -----	Against -----	Abstentions -----	Broker Non Votes -----
1. Directors				
Robert E. Aikman	33,836,570	3,953,650	0	0
Anthony V. Dub	33,834,763	3,955,457	0	0
Thomas J. Edelman	33,808,773	3,981,447	0	0
Allen Finkelson	33,833,091	3,957,129	0	0
Ben A. Guill	33,702,010	4,088,210	0	0
Jonathan S. Linker	33,711,877	4,078,343	0	0
John H. Pinkerton	33,789,858	4,000,362	0	0

	Votes For -----	Against -----	Abstentions -----	Broker Non Votes -----
2. Increase in authorized shares to 100,000,000	32,563,414	5,115,491	111,315	0
3. Increase in authorized shares under the Company 1997 Stock Purchase Plan to 1,250,000	33,216,251	4,362,136	211,833	0
4. Increase in the term from five to ten years and vesting period from three to four years under the 1994 Outside Directors Stock Option Plan	32,741,024	5,774,297	274,899	0
5. Increase in the number of shares authorized under the 1994 Outside Directors Stock Option Plan	32,331,662	5,166,758	291,800	0

Item 5. Not applicable

Item 6 Exhibits and Reports on Form 8-K

(a) Exhibits

The items listed on the accompanying index to exhibits are filed as part of this Quarterly Report on Form 10-Q.

(b) Reports on Form 8-K - None

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned.

RANGE RESOURCES CORPORATION

By: /s/ Eddie M. LeBlanc

Eddie M. LeBlanc
Chief Financial Officer

August 8, 2000

EXHIBIT INDEX

Exhibit Number	Description of Exhibit	Sequentially Numbered Page
3	Amendment to Certificate of Incorporation filed May 25, 2000	
4.1	1997 Stock Purchase Plan (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.2	1997 Stock Purchase Plan - Amendment No. 1 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.3	1997 Stock Purchase Plan - Amendment No. 2 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.4	1997 Stock Purchase Plan - Amendment No. 3 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.5	1994 Outside Directors Stock Option Plan (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.6	1994 Outside Directors Stock Option Plan - Amendment No. 1 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.7	1994 Outside Directors Stock Option Plan - Amendment No. 2 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.8	1994 Outside Directors Stock Option Plan - Amendment No. 3 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
4.9	1994 Outside Directors Stock Option Plan - Amendment No. 4 (incorporated by reference to the Company's Registration Statement No. 333-40380)	
10.1	Purchase and Sale Agreement - Dated April 20, 2000 between Range Pipeline Systems, L.P. as Seller and Conoco Inc., as Buyer	29
10.2	Gas Purchase Contract - Dated July 1, 2000 between Range Production I, L.P. as Seller and Conoco Inc., as Buyer	57
10.3	Second Amendment to Credit Agreement	66
10.4	Application Service Provider and Outsourcing Agreement - Dated June 1, 2000 between Range Resources and Applied Terravision Systems Inc.	76
27	Financial Data Schedule	

PURCHASE AND SALE AGREEMENT

DATED APRIL 20, 2000

BETWEEN

RANGE PIPELINE SYSTEMS, L.P.
AS SELLER

AND

CONOCO INC.
AS BUYER

TABLE OF CONTENTS

ARTICLE I	PURCHASE AND SALE	33
1.1	PURCHASE AND SALE	33
1.2	EXCLUDED ASSETS	34
1.3	EFFECTIVE TIME	35
1.4	ASSUMPTION OF LIABILITIES	35
1.5	RETENTION OF LIABILITIES	35
ARTICLE II	PURCHASE PRICE	36
2.1	PURCHASE PRICE	36
2.2	ADJUSTMENTS TO PURCHASE PRICE	36
2.3	CALCULATION OF POST-CLOSING ADJUSTMENTS	37
2.4	ALLOCATION OF BASE PURCHASE PRICE	38
ARTICLE III	REPRESENTATIONS AND WARRANTIES	38
3.1	REPRESENTATIONS AND WARRANTIES OF SELLER	38
3.2	REPRESENTATIONS AND WARRANTIES OF BUYER	40
ARTICLE IV	COVENANTS	42
4.1	COVENANTS OF SELLER	42
4.2	COVENANTS OF BUYER	43
4.3	EXISTING RANGE PRODUCTION I, L.P. CONTRACTS	44
4.4	EMPLOYEE MATTERS	44
4.5	ACCESS RIGHTS	44
4.7	GUARANTIES	45
4.8	SELLER'S TERMINATION OPTION	45
4.9	NOTICES OF CERTAIN EVENTS	46
ARTICLE V	CONDITIONS TO CLOSING	46
5.1	SELLER'S CONDITIONS	46
5.2	BUYER'S CONDITIONS	46
ARTICLE VI	CLOSING	47
6.1	CLOSING	47
6.2	CLOSING OBLIGATIONS	47
ARTICLE VII	OBLIGATIONS AFTER CLOSING	48
7.1	SALES TAXES AND RECORDING FEES	48
7.2	FURTHER ASSURANCES	48
7.3	RECEIPT OF FUNDS BY BUYER	48
7.4	RECEIPT OF FUNDS BY SELLER	48
7.5	FILES AND RECORDS	48
7.6	BUYER'S DISCLAIMERS OF REPRESENTATIONS AND WARRANTIES	48
7.7	STERLING MODIFICATIONS	49

ARTICLE VIII	TERMINATION OF AGREEMENT	49
8.1	TERMINATION	49

8.2	LIABILITIES	49

ARTICLE IX	INDEMNIFICATION	50
9.1	OBLIGATION OF PARTIES TO INDEMNIFY	50

9.2	INDEMNIFICATION PROCEDURES - THIRD PARTY CLAIMS	50

9.3	DIRECT CLAIMS	51

9.4	SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES	51

9.5 LIABILITY DEDUCTIBLE AND CAP 52

9.6 EXCLUSIVE REMEDY 52

9.7 CLAIM REIMBURSEMENT AND REDUCTION 52

9.8 NO PUNITIVES 52

9.9 DEFECTIVE ENVIRONMENTAL CONDITIONS 52

9.10 CLAIM LIMITATION 53

ARTICLE X GENERAL 53

10.1 EXHIBITS AND SCHEDULES 53

10.2 EXPENSES 53

10.3 NOTICES 53

10.4 AMENDMENTS 54

10.5 HEADINGS 54

10.6 COUNTERPARTS 54

10.7 REFERENCES 54

10.8 GOVERNING LAW 54

10.9 ENTIRE AGREEMENT 54

10.10 ASSIGNMENTS 54

10.11 PUBLIC ANNOUNCEMENTS 55

10.12 NOTICES AFTER CLOSING; SURVIVAL 55

10.13 SEVERABILITY 55

10.14 TIME IS OF THE ESSENCE 55

10.15 PARTIES IN INTEREST 55

10.16 INTERPRETATION 55

10.17 DEFINITIONS 55

10.18 WAIVER OF CONSUMER RIGHTS 56

EXHIBITS AND SCHEDULES

Exhibit A	-	Real Property
Exhibit B	-	Facilities
Exhibit C	-	Facility Contracts
Exhibit D	-	Governmental Permits
Exhibit E	-	Location of Compressor Stations
Exhibit F	-	Form of Deed, Assignment and Bill of Sale
Exhibit G	-	Form of Gas Purchase Contract (Range Equity Gas)
Exhibit H	-	Form of Gas Gathering Agreement
Exhibit I	-	Non-Foreign Affidavit
Exhibit J	-	Form of Guaranty by Range Resources Corporation
Schedule 1.1(b)	-	Drawing of Sterling Gathering System
Schedule 1.5(a)	-	Environmental Retained Liabilities
Schedule 2.4	-	Allocation of Base Purchase Price
Schedule 3.1(f)	-	Permits, Licenses and Authorizations
Schedule 3.1(i)	-	Material Contracts
Schedule 3.1(j)	-	Required Consents
Schedule 3.1(l)	-	Defaults
Schedule 3.1(m)	-	Title
Schedule 3.1(n)	-	Authorized Expenditures
Schedule 3.1(r)	-	Environmental Matters
Schedule 4.1(e)	-	Released Liens
Schedule 4.3	-	Existing Contracts with Range Production I, L.P.
Schedule 4.4	-	Employees

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement (this "AGREEMENT") dated this 20th day of April, 2000, is between RANGE PIPELINE SYSTEMS, L.P., a Texas limited partnership ("SELLER") and CONOCO INC., a Delaware corporation ("BUYER"). Seller and Buyer are sometimes referred to in this Agreement individually as a "PARTY" or collectively as the "PARTIES."

In consideration of the mutual promises contained herein, the benefits to be derived by each Party and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Seller and Buyer agree as follows:

ARTICLE I

PURCHASE AND SALE

1.1 PURCHASE AND SALE. Subject to the terms and conditions of this Agreement, at the Closing (hereinafter defined), Seller agrees to sell and convey to Buyer effective as of the Effective Time (hereinafter defined), and Buyer agrees to purchase and pay for, all of Seller's rights, titles and interests in and to the following described assets (such assets, less and except the Excluded Assets, hereinafter defined, are collectively referred to as the "ASSETS"):

(a) all of the fee property, rights-of-way, easements, surface use agreements, and surface lease agreements used or held for use by Seller in connection with the ownership, operation or use of the Facilities (hereinafter defined) including those which are listed and described on Exhibit A - Real Property which is attached hereto and by reference are made a part hereof, (collectively, the "REAL PROPERTY");

(b) the plant, pipelines and related separating equipment and meter stations, compressors and compressor stations, valves, pumps, tanks and all other equipment, personal property, buildings and fixtures used or held for use in connection with the ownership or operation of (i) the gas processing plant known as the Sterling Gas Plant and the high pressure gas gathering system known as the Sterling Gathering System ("STERLING GATHERING SYSTEM") connecting to and downstream from the Range Low Pressure Gas Gathering System (hereinafter defined), a drawing showing the division of the Sterling Gathering System from the Range Low Pressure Gas Gathering System being set forth on Schedule 1.1(b), and (ii) the Carlsbad gas gathering system, including its collection pipelines, compressors, pipeline to the Sterling Gas Plant, and abandoned refrigeration plant, including the equipment and other personal property described on Exhibit B - Facilities attached hereto (collectively, the "FACILITIES");

(c) the Contract Rights (hereinafter defined) arising under those certain contracts listed and described on Exhibit C - Facility Contracts, which is attached hereto and by reference is made a part hereof, together with, to the extent assignable, the Contract Rights arising under all other written, fully executed and in force as of the Effective Time gas purchase agreements, transportation agreements, gathering agreements, marketing agreements and other similar agreements primarily relating to gas transported through or processed by the Facilities (collectively, the "FACILITY CONTRACTS");

(d) to the extent transferable or assignable, all governmental (whether federal, state or local) permits, licenses, orders, authorizations, franchises and related instruments or rights used or held for use in connection with the ownership, operation or use of the Facilities (collectively, the "GOVERNMENTAL PERMITS"); including those which are listed and described on Exhibit D - Governmental Permits, which is attached hereto and by reference is made a part hereof;

(e) all machinery, equipment, spare parts, office equipment, computer hardware, furniture, supplies and other tangible personal property (other than those listed on Exhibit B or tangible personal property held under lease by Seller) located at the Facilities on the Effective Time and used or held for use in connection with the ownership, operation or use of the Facilities;

(f) all merchantable inventory of crude oil, natural gas and products derived therefrom (other than customary pipeline line fill and tank bottoms) located at the Facilities (collectively, the "INVENTORY"); and

(g) all files, records, correspondence, studies, surveys, reports and other data in the actual possession or control of Seller relating to the ownership, operation or use of any of the above described Assets, including without limitation all title records, operational records, technical records, production and processing records, division order and right-of-way files and contract files, but excluding, however, all files, records, correspondence, studies, surveys, reports and other data in the actual possession or control of Seller relating to the geology and engineering interpretation of any reservoir in which one or more wells owned or operated by Seller or its affiliates is operated (all of the items described in this Section 1.1(g), subject to such exclusion, are herein collectively called the "RECORDS").

As used herein, the term "CONTRACT RIGHTS" shall mean all rights, titles, interests, benefits and remedies in, to and under a written, fully executed and in force contract, which, under the terms of such contract, inure to the benefit of Seller, together with all other rights titles, interests, benefits, obligations and remedies of Seller in, to and under such contract, as of the Effective Time (hereinafter defined).

1.2 EXCLUDED ASSETS. Notwithstanding anything to the contrary contained herein, there is hereby excluded from this purchase and sale the following assets (the "EXCLUDED ASSETS"):

(a) all records of Seller as are excluded by Section 1.1(g);

(b) all proceeds, accounts receivable and credits related to the ownership, operation or use of the Assets and accruing prior to the Effective Time;

(c) all deposits, letters of credit, bonds and guaranties made or given by Seller or any affiliate thereof prior to the date of this Agreement in favor of any third party;

(d) all insurance policies, programs, reserves and related insurance bonds of any nature and any claims payable in respect thereof;

(e) all claims, causes of action, choses in action, rights of recovery and rights of set-off of any kind against any person or entity relating to the ownership, operation or use of the Assets prior to the Effective Time;

(f) all funds, if any, held by Seller in suspense accounts and which represent funds due third parties in connection with the operation of the Facilities prior to the Effective Time (the "SUSPENSE FUNDS");

(g) all refunds, claims for refunds or rights to receive refunds from any taxing authority with respect to any taxes paid or to be paid by Seller or any affiliate thereof relating to a period, or portions thereof, ending on or prior to the Effective Time;

(h) to the extent that Seller elects to retain photocopies of any Records, all such photocopies;

(i) all oil and gas leases owned by Seller or any of its affiliates located in the vicinity of the Facilities; and

(j) (1) the low pressure gas gathering system owned by Seller or its affiliates from and upstream of the inlet suction control valve at the two-phase separator at each of: (A) North Conger, (B) South Conger, and (C) Middle Conger Compressor Stations, and (2) the associated separation and storage facilities located thereon, the location of such compressor stations, separation and storage facilities being

more particularly identified on the attached Exhibit E Location of Compressor Stations (all of the properties described in this Section 1.2(j) being herein called the "RANGE LOW PRESSURE GAS GATHERING SYSTEM").

1.3 EFFECTIVE TIME. The purchase and sale of the Assets shall be effective for all purposes as of 7:00 a.m., Central Time, on the first day of April, 2000 (the "EFFECTIVE TIME").

1.4 ASSUMPTION OF LIABILITIES. Effective as of the Closing, but subject to the indemnity obligations of Seller in Section 9.1(a) hereof, Buyer hereby assumes and agrees to pay, honor and discharge when due and payable the obligations, liabilities and commitments relating to the ownership or operation of the Assets, accruing, with the exception of Section 1.4(a), after the Effective Time (the "ASSUMED Liabilities"), including the following:

(a) from and after the Closing Date all liabilities and obligations attributable to the ownership or operation of the Assets arising from, attributable to, or alleged to be arising from or attributable to a violation of, or the failure to perform any obligation, the basis of which is attributable to the period from and after Closing, imposed by Environmental Laws (hereinafter defined) in effect where the Assets are located, and any other liability or obligation relating to the release or disposal of any hazardous substance or pollutant, the basis of which is attributable to the period from and after the Closing Date;

(b) to the extent not previously paid by Seller and reflected as an increase in the Base Purchase Price (hereinafter defined) or the Closing Purchase Price (hereinafter defined) in accordance with Article II, all liabilities, obligations and commitments arising out of or related to all account or trade payables incurred by Seller in the ordinary course of business relating to the ownership, operation or use of the Assets after the Effective Time;

(c) all liabilities, obligations and commitments to remove all fixtures and equipment located on the Real Property and to clean up and restore the Real Property upon any abandonment thereof (including the abandoned Carlsbad refrigeration plant), except to the extent such liabilities are retained by or otherwise the responsibility of Seller as provided herein; and

(d) all other liabilities, obligations and commitments occurring, arising out of or related to the ownership, operation or use of the Assets after the Effective Time.

The term "ENVIRONMENTAL LAWS" as used herein means all laws, as they exist on the date hereof, relating to (i) the control of any pollutant or potential pollutant or protection of the air, water, land or the environment, (ii) solid, gaseous or liquid waste generation, handling, treatment, storage, disposal or transportation, or (iii) exposure to hazardous, toxic, explosive, corrosive or other substances alleged to be harmful. "ENVIRONMENTAL LAWS" shall include, but not be limited to, the Clean Air Act, 42 U.S.C. Section 7401 et seq., the Clean Water Act 33 U.S.C. Section 1251 et seq., the Resource Conservation Recovery Act, 42 U.S.C. Section 6901 et seq., the Superfund Amendments and Reauthorization Act, 42 U.S.C. Section 11001 et seq., the Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq., and the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 Et seq.

1.5 RETENTION OF LIABILITIES. Subject to the provisions of this Agreement, Seller retains and agrees to pay, honor and discharge all obligations, liabilities and commitments relating to the ownership, operation or use of the Assets accruing prior to the Closing Date in the case of the matters described in Sections 1.5(a) and 1.5(d) and accruing prior to the Effective Time in the case of any matters not described in Sections 1.5(a) or 1.5(d) (collectively, the "RETAINED LIABILITIES"), including the following:

(a) all obligations, liabilities, commitments, fines, penalties and fees attributable to the Assets, whenever asserted, for any violation of, or the failure to perform any obligation imposed by, Environmental Laws in effect where the Assets are located, when such violation, failure to perform, release

or discharge of any hazardous substance or pollutant occurred prior to the Closing Date, including the matters set forth on Schedule 1.5(a);

(b) all liabilities, obligations and commitments arising out of or related to all accounts or trade payable incurred by Seller relating to ownership, operation or use of the Assets before the Effective Time;

(c) all liabilities, obligations and commitments to make proper distribution of the Suspense Funds;

(d) all liabilities, obligations and commitments (i) for the removal of crude oil or natural gas including products derived therefrom which are stored, dumped or disposed of on the Real Property or the Facilities prior to the Closing Date in violation of any Environmental Laws and (ii) for the removal of crude oil or natural gas including products derived therefrom which formerly were on the Real Property or the Facilities and which are dumped or disposed of offsite by Seller prior to the Closing Date in violation of any Environmental Laws;

(e) all claims that any third person may assert relating to Seller's failure to clean up and restore any Real Property abandoned prior to the Effective Time if such failure constitutes a breach of Seller's contractual obligation (if any) to the third person to clean up and restore such Real Property on or before the Effective Time, but excluding any such claim relating to the abandoned Carlsbad refrigeration plant;

(f) all other liabilities, obligations and commitments occurring, arising out of or related to the ownership, operation or use of the Assets prior to the Effective Time; and

(g) for all periods of time before and after Closing, all liabilities for Excluded Assets.

ARTICLE II

PURCHASE PRICE

2.1 PURCHASE PRICE. The purchase price payable by Buyer at the Closing, for the Assets shall be Nineteen Million Nine Hundred Twenty-five Thousand and No/100 dollars (U.S.) (\$19,925,000.00) (the "BASE PURCHASE PRICE"), subject to adjustment as provided in Section 2.2 (the Base Purchase Price as such may be adjusted prior to the Closing pursuant to Section 2.2 being referred to herein as the "CLOSING PURCHASE PRICE" and the Closing Purchase Price as adjusted subsequent to the Closing pursuant to Section 2.2 being referred to herein as the "FINAL PURCHASE PRICE").

2.2 ADJUSTMENTS TO PURCHASE PRICE. Prior to the Closing, as may be mutually agreed by Seller and Buyer, the Base Purchase Price shall be adjusted to reflect the adjustments set forth in this Section 2.2 and Section 4.6, such adjustments to be reflected in the Preliminary Settlement Statement (as hereinafter defined). Subsequent to the Closing, the Closing Purchase Price shall be adjusted to reflect the adjustments set forth in this Section 2.2 in accordance with Section 2.3. Specifically, the Base Purchase Price or the Closing Purchase Price, as applicable, shall be subject to the following adjustments:

(a) The Base Purchase Price or the Closing Purchase Price, as applicable, shall be increased without duplication by the following amounts:

(i) the value of all merchantable Inventory to which Seller holds title held in storage as of the Effective Time and which is sold in the ordinary course of business by Buyer after the Effective Time pursuant to bona fide arms length transactions (with such value being equal to the actual amount received by Buyer pursuant to such transactions);

(ii) the amount of all reasonable or emergency costs and expenses paid by Seller and directly connected with the ownership, operation or maintenance of the Assets on or after the Effective Time, which costs and expenses will be consistent with historical facility expenditures practices of Seller; and

(iii) an amount equal to interest at an annual rate equal to the London Interbank Offered Rate (LIBOR) (one month maturity) (as quoted in the Credit Markets, Money Rates section of The Wall Street Journal two days prior to the Closing Date) plus 1.0%, on the Closing Purchase Price for the period from the Effective Time until the Closing Date.

(b) The Base Purchase Price or the Closing Purchase Price, as applicable, shall be decreased, without duplication, by the following amounts:

(i) the amount of all proceeds and revenues actually received by Seller attributable to the ownership or the operation of the Assets on or after the Effective Time;

(ii) an amount equal to the estimated ad valorem, property, production, severance and similar taxes (but not including income taxes) and which are attributable to the Assets for the period of time from January 1, 2000 to the Effective Time; and

(iii) the Reduction Amount if Seller elects option (ii) set forth in Section 4.6(b).

2.3 CALCULATION OF POST-CLOSING ADJUSTMENTS.

(a) As soon as practicable after the Closing, but not later than 60 days after the Closing, Seller shall prepare and deliver to Buyer, a statement (the "FINAL SETTLEMENT STATEMENT") setting forth the calculation of each adjustment to the Closing Purchase Price contemplated by Section 2.2. As may be requested by Seller, Buyer shall promptly furnish all information that it or its affiliates may have in their possession and that is useful to Seller in the calculation or verification of the Final Settlement Statement. On or before the 30th day after receipt of the Final Settlement Statement, Buyer shall deliver to the Seller a written report containing any changes that Buyer proposes to be made to the Final Settlement Statement. The Parties shall undertake to agree upon the Final Settlement Statement not later than 120 days after the Closing Date. If Buyer fails to propose any changes to the accounting set forth in the Final Settlement Statement within 30 days after its receipt of the proposed Final Settlement Statement from Seller, then it shall be deemed that Buyer agrees with the Final Settlement Statement as proposed by Seller. The agreed upon Final Settlement Statement shall serve as the basis for the calculation of the Final Purchase Price hereunder. The date upon which the Final Settlement Statement is agreed upon or is otherwise established hereunder, is hereinafter referred to as the "FINAL SETTLEMENT DATE".

(b) If Buyer timely proposes changes to Seller's proposed Final Settlement Statement and thereafter Seller and Buyer are unable to agree upon the Final Settlement Statement within 120 days from the Closing Date, Arthur Andersen L.L.P., is designated to act as an arbitrator and to decide all points of disagreement with respect to the Final Settlement Statement, such decision to be binding upon both Parties. If such firm is unwilling or unable to serve in such capacity, Seller and Buyer shall attempt to, in good faith, designate another acceptable person as the sole arbitrator under this Section 2.3(b). If the Parties are unable to agree upon the designation of a person as substitute arbitrator, then Seller or Buyer, or both of them, may in writing request the American Arbitration Association to appoint the substitute arbitrator. The arbitration shall be conducted under the Texas General Arbitration Act and the rules of the American Arbitration Association to the extent such rules do not conflict with the terms of such Act and the terms of this Agreement. The costs and expenses of the arbitrator, whether the firm designated above, or a third party appointed pursuant to the preceding sentence shall be shared equally by Seller and Buyer. Within five (5) days after the Final Settlement Date, the difference between the Closing Purchase Price and the Final Purchase Price shall be (i) paid by Buyer to Seller, if the Final Purchase Price is greater than the Closing Purchase Price or (ii) paid by Seller to Buyer, if the Closing Purchase Price paid is greater than the Final Purchase Price, in each case in immediately available funds.

2.4 ALLOCATION OF BASE PURCHASE PRICE. Schedule 2.4 allocates the Base Purchase Price among the Assets. Such allocation shall be adjusted in the event of the reduction of the Base Purchase Price by the Reduction Amount under Section 4.6(b)(ii). The allocation will be applicable for all purposes, and neither Party will take any position with any person, including any taxing authority, contrary to the allocations provided in this Agreement.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 REPRESENTATIONS AND WARRANTIES OF SELLER. Seller hereby represents and warrants to Buyer that:

(a) STANDING: Seller is a limited partnership duly formed and in good standing under the laws of the State of Texas.

(b) REQUISITE AUTHORITY: Seller has all requisite power and authority to carry on its business as presently conducted, to enter into this Agreement and to perform its other obligations under this Agreement.

(c) EXECUTION AND ENFORCEABILITY: The execution and delivery of this Agreement has been, and the execution and delivery of all certificates, documents and instruments required to be executed and delivered by Seller at the Closing, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary action on the part of Seller, and, assuming expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 ("HSR ACT"), no further authorization is required by any law, statute, regulation, court order or judgment applicable to Seller. This Agreement constitutes a legal, valid and binding obligation of Seller enforceable in accordance with its terms, subject however, to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) NO CONFLICTS: The execution and delivery of the Agreement and the consummation of the transaction contemplated hereby will not (i) violate, or be in conflict with, any provisions of Seller's organizational documents, (ii) constitute a breach of, or any event of default under, any contract or agreement to which Seller is a party or by which it or its assets are bound, or constitute the happening of an event or condition upon which any other party to such a contract or agreement may exercise any right or option which will adversely affect any of the Assets, except (A) with respect to any consents to transfer and waivers of preferential rights to purchase or similar provisions applicable to the transfer of the Assets contemplated hereby or (B) as could not reasonably be expected have a Material Adverse Effect, or (iii) assuming expiration or termination of the applicable waiting period under the HSR Act, violate any judgment, decree, order, statute, rule or regulation applicable to Seller, except as could not reasonably be expected to have a Material Adverse Effect.

(e) NO JUDGMENTS, LAWSUITS OR CLAIMS: There is no suit, action or other proceeding pending before any court or governmental agency as of the Effective Time to which Seller is a party and which might result in impairment or loss of Seller's title to any material part of the Assets or that might materially hinder or impede the operation of the Assets or the ability of Seller to perform its obligations hereunder.

(f) PERMITS, LICENSES AND AUTHORIZATIONS: To Seller's Knowledge, Seller holds all material permits, governmental licenses, approvals, authorizations and exemptions, including environmental permits, that are necessary for the ownership, operation and use of the Assets in accordance with Seller's current practices. Seller has complied in all material respects with all of the laws, regulations and orders of the Railroad Commission of Texas ("RAILROAD COMMISSION") affecting the Assets. All necessary reports, required by the United States and any state, county, city or other political subdivision, agency, court or instrumentality ("GOVERNMENTAL AUTHORITY") with respect to Seller's ownership,

operation or use of the Assets, have been timely, properly and accurately made in all material respects. At all times during Seller's ownership of the Facilities and except as set forth on Schedule 3.1(f), (i) the Facilities have at all times been operated as a non-jurisdictional gathering system, (ii) no Real Property has been obtained by the utilization of eminent domain, and (iii) the Facilities have not been operated as facilities of a gas utility as defined in the Texas Gas Utility Regulatory Act ("GURA"). The Facilities are not subject to the jurisdiction of the Railroad Commission incident to the provisions of the GURA.

(g) TAXES: All ad valorem, property, production, severance and similar taxes and assessments attributable to Seller's ownership, operation or use of the Assets that are due have been properly paid.

(h) NO BROKERS: Seller has incurred no liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement for which Buyer shall have any responsibility whatsoever.

(i) CONTRACTS:

(i) Seller has made available to Buyer a true and correct copy of each of the Contracts described on Exhibit C (the "MATERIAL CONTRACTS") including all amendments thereto and, except as disclosed in Schedule 3.1(i), each Material Contract is valid and existing;

(ii) The Material Contracts are the only written, fully executed and in force material contracts which provide for the purchase, sale, gathering, delivery, transportation, processing or other disposition of natural gas through the Facilities;

(iii) Except as disclosed in Schedule 3.1(i), Seller is in substantial compliance with all applicable material terms and requirements of each Material Contract;

(iv) Except as disclosed in Schedule 3.1(i), to Seller's Knowledge each other person that has any material obligation or liability under any Material Contract is, in substantial compliance with all applicable material terms and requirements of each such Material Contract;

(v) Except as disclosed in Schedule 3.1(i), Seller has not given or received from any other person, any specific, written notice claiming a material violation or breach of, or default under, any Material Contract;

(vi) Except as disclosed on Schedule 3.1(i), Seller is not participating in any attempts to renegotiate any amounts paid or payable to Seller under any of the Material Contracts, Seller has not made a specific, written demand for such renegotiations, and Seller has not received a specific, written demand by another party to the Material Contracts for such renegotiations; and

(vii) Except as disclosed on Schedule 3.1(i), there are no commissions due (or to become due) from Seller to any broker or other Party as a result of the purchase or sale of gas under any Material Contract.

(j) PREFERENTIAL RIGHTS: Except as set forth in Schedule 3.1(j), there are no consents to transfer or preferential rights to purchase applicable to the transfer of Assets contemplated hereby (the "REQUIRED CONSENTS").

(k) NO FOREIGN PERSON: Seller is not a "foreign person" within the meaning of Section 1445 of the Internal Revenue Code of 1986, as amended (the "CODE").

(l) NO DEFAULT UNDER LAWS: Except as set forth on Schedule 3.1(l), to Seller's Knowledge, the Assets have been constructed, operated and maintained in accordance with all applicable laws, including Environmental Laws, in all material respects and Seller is not in default or violation of any such laws that would materially affect the ability of Seller to perform its obligations under this Agreement.

(m) TITLE: Except as set forth in Schedule 3.1(m), Seller has good and indefeasible title to the Assets and the Assets are free and clear of all mortgages, liens, claims, security interests, encumbrances or other restrictions of any kind whatsoever, by, through, or under Seller, but not otherwise, subject, however, to Permitted Encumbrances.

(n) AUTHORIZED EXPENDITURES: Except as set forth in Schedule 3.1(n), there are no material outstanding authorizations for expenditure or outstanding financial commitments respecting the Assets or the Inventory pursuant to which expenditures are or may be required to be made and for which Buyer will be liable or in respect of which any amount remains unexpended.

(o) WORKERS' COMPENSATION: Seller is not in arrears under any laws regarding workers' compensation for any amounts whatsoever, in respect of which any person may be entitled to charge Seller or to have a security interest on the Assets or the Inventory.

(p) COMPLETENESS OF SCHEDULES: The Schedules and the Exhibits are, in all material respects, a complete and accurate listing of all matters shown thereon.

(q) ADVERSE CHANGE: Since April 1, 2000, except as disclosed to Buyer in writing, there has not been any material physical damage to the Assets or Inventory that has not been disclosed in writing by Seller to Buyer prior to Closing.

(r) ENVIRONMENTAL MATTERS:

(i) To Seller's Knowledge, except as set forth in Schedule 3.1(r), there are no Assets which are in violation of Environmental Law in any material respect and Seller has in force and effect all permits and licenses necessary under Environmental Law;

(ii) Except as set forth in Schedule 3.1(r), there are no existing, pending or, to Seller's Knowledge, threatened actions, suits, investigations, inquiries, proceedings or clean-up obligations by any governmental authority or third party against Seller relating to or arising out of any Environmental Laws with respect to the Assets or Seller's operation of the Assets;

(iii) Except as set forth in Schedule 3.1(r), (A) no underground storage tanks, in use or abandoned, have been placed on the Real Property during Seller's ownership of the Real Property and, (B) to Seller's Knowledge, no underground storage tanks, in use or abandoned, have been placed on the Real Property prior to Seller's ownership of the Real Property; and

(iv) There have been no written reports by any independent engineer of any environmental investigation, study, audit, test, review or other analysis of the Assets in the possession or control of Seller, except for those set forth in Schedule 3.1(r), a copy of each of which has been delivered or made available to Buyer.

3.2 REPRESENTATIONS AND WARRANTIES OF BUYER. Buyer represents and warrants to the Seller that:

(a) STANDING: Buyer is a duly organized, validly existing corporation organized and in good standing under the laws of the State of its incorporation and is qualified to do business in the State of Texas.

(b) REQUISITE AUTHORITY: Buyer has all requisite power and authority, corporate and otherwise, to carry on its business as presently conducted, to enter into the Agreement and to perform its other obligations under this Agreement.

(c) EXECUTION AND ENFORCEABILITY: The execution and delivery of this Agreement has been, and the execution and delivery of all certificates, documents and instruments required to be executed and delivered by Buyer at the Closing, and the consummation of the transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Buyer, and, assuming expiration or termination of the applicable waiting period under the HSR Act, no further authorization is required by any law, statute, regulation, court order or judgment applicable to Buyer. This Agreement constitutes a legal, valid and binding obligation of Buyer enforceable in accordance with its terms, subject however, to the effects of bankruptcy, insolvency, reorganization, moratorium and similar laws, as well as to principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) NO CONFLICTS: The execution and delivery of the Agreement and the consummation of the transaction contemplated hereby will not (i) violate, or be in conflict with, any provisions of Buyer's certificate or articles of incorporation or bylaws, (ii) constitute a material breach of, or any event of default under, any contract or agreement to which Buyer is a party or by which it or its assets are bound, or constitute the happening of an event or condition upon which any other party to such a contract or agreement may exercise any right or option which will adversely affect the ability of Buyer to perform its obligations hereunder, or (iii) assuming expiration or termination of the applicable waiting period under the HSR Act, violate any judgment, decree, order, statute, rule or regulation applicable to Buyer.

(e) NO JUDGMENTS, LAWSUITS OR CLAIMS: No suit, action or other proceeding is pending before any court or governmental agency as of the date of this Agreement to which Buyer is a party and which might materially hinder or impede the ability of Buyer to perform its obligations hereunder.

(f) NO BROKERS: Buyer has incurred no liability, contingent or otherwise, for brokers' or finders' fees relating to the transactions contemplated by this Agreement for which Seller shall have any responsibility whatsoever.

(g) BUYER'S RELIANCE: Buyer is an experienced and knowledgeable investor in the oil and gas business, including the business of owning and operating facilities similar to the Facilities. Prior to entering into this Agreement, Buyer was advised by and has relied solely on its own legal, tax and other professional advisors concerning this Agreement, the Assets and the value thereof. In entering into this Agreement, Buyer has relied solely on the representations, indemnities and other covenants of Seller expressly contained in this Agreement, its independent investigation of, and judgment with respect to, the Assets and the advice of Buyer's own advisors and not on any comments or statements of Seller or Seller's employees or agents that are not expressly contained in this Agreement.

(h) Buyer is acquiring the Assets for commercial or business use. In negotiating this Agreement and the documents contemplated herein, Buyer is represented by legal counsel who is not directly or indirectly identified, suggested, or selected by Seller or an agent of Seller. Buyer is not in a significantly disparate bargaining position.

ARTICLE IV

COVENANTS

4.1 COVENANTS OF SELLER. Seller agrees with Buyer that:

(a) Prior to the Closing, Seller will permit Buyer and its representatives to have access to the Assets and make the Records available to Buyer for examination ("DUE DILIGENCE REVIEW") at Seller's offices in Fort Worth, Texas. Furthermore, upon reasonable request from Buyer prior to the Closing and to the extent that Seller may do so without violating legal constraints or any contractual obligation of confidence of Seller to a non-affiliated third party, Seller shall furnish to Buyer any other information in Seller's possession regarding the Assets, excluding only such information which is not necessary for Buyer's ownership, operation or use of the Assets and which is reasonably deemed by Seller to be confidential and proprietary. At all times prior to Closing Buyer shall have the right and option to perform any and all environmental testing on the Facilities and on and below the Real Property. In the event Buyer exercises this right and option, it agrees to provide Seller with the results of such testing. Seller shall permit Buyer, at Buyer's expense, to inspect and photocopy the Records at any reasonable time during the term of this Agreement but only to the extent, in each case, that Seller may do so without violating any contractual obligation of confidence or contractual commitment to a non-affiliated third party. Seller shall not be obligated to furnish any updated abstracts, title opinions or additional title information, but shall cooperate with Buyer in Buyer's efforts to obtain, at Buyer's expense, such additional title information as Buyer may reasonably deem prudent. IN ADDITION TO THE INDEMNIFICATION PROVISIONS OF ARTICLE IX, BUYER AGREES TO FULLY INDEMNIFY, DEFEND, AND HOLD SELLER, ITS PARTNERS AND THEIR AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND CONTRACTORS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, LIABILITIES, CAUSES OF ACTION, JUDGMENTS OR DEFENSE EXPENSES (INCLUDING REASONABLE ATTORNEYS FEES AND EXPERT EXPENSES) OF ANY PERSON, INCLUDING BUYER, ITS AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS AND CONTRACTORS, FOR (I) PERSONAL INJURY OR DEATH OF ANY PERSON AND (II) DAMAGE TO THE PROPERTY OF SELLER, BUYER OR ANY OTHER PERSON ATTRIBUTABLE TO OR ARISING FROM BUYER'S DUE DILIGENCE REVIEW, EXCEPT THERE SHALL BE NO LIABILITY OF BUYER TO THE EXTENT ANY SUCH INJURY, DAMAGE, OR LOSS IS CAUSED BY THE NEGLIGENCE, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF SELLER.

(b) From the date of this Agreement until Closing, Seller (i) will cause the Assets to be operated and maintained in a good and workmanlike manner, in all material respects, consistent with prior practices and consistent with that of a prudent operator of such assets, and will pay or cause to be paid all costs and expenses in connection therewith, (ii) will not abandon or substantially modify any of the Assets, (iii) will maintain insurance now in force with respect to the Assets, (iv) will comply with all the rules, regulations and orders of the Railroad Commission that are applicable to Seller and the Assets, and will timely, properly and accurately make in all material respects all reports required to be filed with the Railroad Commission, and (v) will pay all taxes and assessments with respect to the Assets which come due and payable prior to the Closing Date; provided, however, except in the case of an expenditure that the Seller in good faith determines is necessary for the continued operation of the Assets or for the protection of the Assets or the health and welfare of persons, in the absence of Buyer's written consent (which will not unreasonably be withheld), from the date of this Agreement until the Closing, Seller shall not conduct or authorize any operation on the Assets requiring a capital expenditure in excess of \$10,000 if such capital expenditure would result in an increase in the Base Purchase Price or Closing Purchase Price or if Buyer would otherwise become liable for such expenditure.

(c) Without the prior written consent of Buyer (which will not unreasonably be withheld), from the date of this Agreement until Closing, Seller shall not (i) enter into any new agreements or commitments with respect to the Assets that if such were in existence as of the date of this Agreement are of a nature that would be required to be described on Exhibit C, (ii) subject to Section 4.3 hereof, modify in any material respect the Material Contracts, or (iii) encumber, sell, transfer, assign, convey, or otherwise dispose of any of the Assets other than sale of Inventory in the ordinary course of business and other personal property which is replaced by equivalent property or consumed in the operation of the Assets.

(d) With respect to all Required Consents, Seller shall make requests of such third parties in compliance with applicable contracts that such consents be given or waived and that such preferential rights be waived, and Seller shall obtain as promptly as possible such Required Consents reasonably expected to have a Material Adverse Effect; provided, however, nothing contained in this Section 4.1(d) shall require Seller to pay money or provide other consideration or undertake any additional legal obligation in order to obtain the Required Consents.

(e) At the Closing, Seller shall provide proof that the liens described on Schedule 4.1(e) have been released insofar as such liens encumber any of the Assets (the "RELEASED LIENS").

(f) As promptly as practicable and in any event not more than 10 business days following the date of this Agreement, Seller shall file with the Federal Trade Commission and the Department of Justice the notification and report form required for the transactions contemplated hereby and shall as promptly as practicable furnish any supplemental information which may be reasonably requested in connection therewith pursuant to the HSR Act. Seller shall use its reasonable efforts to obtain early termination of the waiting period under the HSR Act.

(g) Seller shall give Buyer notice of any litigation initiated by or against Seller, of which Seller has notice, and which relates to the Assets or the ability of Seller to proceed to Closing.

(h) Seller shall complete the installation of the catalytic converter and fuel air ratio controller at the small compressor at the Carlsbad Plant in fully operational condition, to the reasonable satisfaction of Buyer, at or prior to the Closing (subject to matters beyond Seller's reasonable control). The costs thereof shall be borne entirely by Seller and shall not be included in the Closing Purchase Price or Final Purchase Price, even if incurred on or after the Effective Time.

4.2 COVENANTS OF BUYER. Buyer covenants and agrees with Seller as follows:

(a) As promptly as practicable and in any event not more than 10 business days following the date of this Agreement, Buyer will file with the Federal Trade Commission and the Department of Justice the notification and report form required for the transactions contemplated hereby and will as promptly as practicable furnish any supplemental information which may be reasonably requested in connection therewith pursuant to the HSR Act. Buyer shall use its reasonable efforts to obtain early termination of the waiting period under the HSR Act. Buyer shall bear all of the filing fees associated with its filings made under the HSR Act.

(b) If the Closing occurs, that certain Confidentiality Agreement dated October 29, 1999 between Range Resources Corporation and Buyer (the "CONFIDENTIALITY AGREEMENT") shall terminate and be of no further force and effect as of the Closing Date. Any offers of employment made by Buyer pursuant to the provisions of Section 4.4 shall be deemed not to breach Buyer's obligations under paragraph 5 of the Confidentiality Agreement. If the Closing does not occur, then the Confidentiality Agreement (including paragraph 5 thereof) shall continue in force and effect.

(c) Buyer shall give Seller notice of any litigation initiated by or against Buyer, of which Buyer has notice, and which relates to the Assets or the ability of Buyer to proceed to Closing.

4.3 EXISTING RANGE PRODUCTION I, L.P. CONTRACTS. Seller and its affiliate, Range Production I, L.P., are currently parties to the agreements listed on Schedule 4.3. Such agreements shall be terminated and superseded by (i) the Gas Purchase Contract described in Section 6.2(f) below as of the effective date of such Gas Purchase Contract and (ii) the Gas Gathering Agreement described in Section 6.2(g) below as of the effective date of such Gas Gathering Agreement.

4.4 EMPLOYEE MATTERS. Buyer may offer employment, to be effective upon the Closing, to those employees of Seller and/or its affiliates that are primarily involved in the operations of the Assets and that are listed on Schedule 4.4 hereto (the "EMPLOYEES"). Prior to Closing, Buyer shall provide to Seller, in writing, a list of those Employees to whom Buyer has made offers of employment, including base salary offered to such employee. Buyer shall have full discretion in determining the terms, conditions and benefits relating to such employment.

4.5 ACCESS RIGHTS. Buyer agrees that upon the Closing, Buyer shall grant to Seller and/or its affiliates or permitted assigns such access rights as are necessary and required across the Real Property in order for Seller and/or its affiliates or permitted assigns to maintain, repair and operate the Range Low Pressure Gas Gathering System. Likewise, Seller shall grant to Buyer and/or its affiliates or permitted assigns such access rights as are necessary and required across Seller's properties located in the vicinity of the Assets in order for Buyer and/or its affiliates or permitted assigns to maintain, repair and operate the Assets.

4.6 RESULTS OF DUE DILIGENCE REVIEW.

(a) Not later than five business days before the Closing, Buyer shall have the right to notify Seller in writing (the "REJECTION NOTICE") that Buyer is dissatisfied with the results obtained from the Due Diligence Review and that consequently Buyer is unwilling to complete the purchase of the Assets pursuant to this Agreement. The Rejection Notice shall specify Buyer's objections to the Assets and shall state the diminution of the value of the Assets attributable to such objections (the "REDUCTION AMOUNT"), as such objections and diminution in value are determined by Buyer in its sole discretion. The objections shall not include any defects that are disclosed in the Schedules attached hereto by Seller to Buyer in sufficient detail to reasonably apprise Buyer of the defect.

(b) By notice given no later than two business days before the Closing Date, Seller shall have the following options following its receipt of a Rejection Notice: (i) Seller may elect to attempt to cure the objections presented by Buyer in the Rejection Notice, (ii) Seller may elect to reduce the Base Purchase Price by the Reduction Amount, or (iii) Seller may terminate this Agreement. If Seller fails to notify Buyer with respect to Seller's election within the time period provided in this Section 4.6(b), Seller shall be deemed to have elected to terminate this Agreement.

(c) If Seller elects option (i) set forth in Section 4.6(b) but fails to cure the objections presented by Buyer by the Closing Date, then this Agreement shall terminate on the Closing Date.

(d) If the Base Purchase Price is reduced by the Reduction Amount pursuant to option (ii) set forth in Section 4.6(b) and the Closing occurs, then Buyer shall be deemed to have waived all Losses (as defined below) and all indemnification and other claims and causes of action against Seller arising out of or resulting from any breach of agreement, covenant, representation, or warranty by Seller, to the extent directly attributable to the particular objections given by Buyer in the Rejection Notice and for which the Base Purchase Price is reduced pursuant to such option (ii).

(e) By written notice delivered to Seller prior to the Closing, Buyer may waive any one or more of the objections asserted by Buyer in the Rejection Notice (the "WAIVED OBJECTIONS"), in which event (i) the Reduction Amount shall be reduced by the amount previously asserted by Buyer in respect of such Waived Objections, and (ii) Buyer shall be deemed to have waived all Losses (as defined below) and all indemnification and other claims and causes of action against Seller arising out of or resulting from any breach of agreement, covenant, representation, or warranty by Seller, to the extent directly attributable to the particular Waived Objections.

(f) Notwithstanding the preceding provisions of this Section 4.6, if the Reduction Amount set forth in the Reduction Notice exceeds \$5,000,000.00, Buyer may elect to terminate this Agreement, in which event Seller's options set forth in Section 4.6(b) shall not apply. Buyer's termination election, if any, shall be set forth in the Reduction Notice.

4.7 GUARANTIES. Prior to the Closing, Buyer shall notify Seller in writing of any deposits, letters of credit, bonds and guaranties made or given by Seller or any affiliate thereof prior to the date of this Agreement in favor of any third party which Buyer has determined are necessary for Buyer's ownership, operation or use of the Assets (collectively, the "SUBJECT GUARANTIES"). Upon the request of Buyer, Seller shall maintain the Subject Guaranties in force for a period of thirty (30) days following the Closing. Buyer shall reimburse Seller and its affiliates for any reasonable out-of-pocket expense incurred by Seller or its affiliates with respect to maintaining the Subject Guaranties for periods after the Closing Date. Buyer shall cause or procure the release, within thirty (30) days after the Closing Date, of all liabilities or obligations of Seller or any of its affiliates with respect to the Subject Guaranties from any of the liabilities or obligations of Buyer under this Agreement for post-Closing periods. Buyer agrees not to modify the terms of any such Subject Guaranties, or consent to any modification, without the prior written consent of Seller.

4.8 SELLER'S TERMINATION OPTION.

(a) At any time prior to the Closing, Seller may deliver to Buyer a notice in writing electing to terminate this Agreement ("SELLER'S TERMINATION NOTICE"). This Agreement shall terminate effective at 5 p.m., local time, three (3) business days after receipt by Buyer of Seller's Termination Notice ("TERMINATION DATE"), unless prior to such time and date Seller receives a notice in writing from Buyer waiving all of Buyer's rights to terminate this Agreement pursuant to Section 4.6 and committing to a Closing on the Accelerated Closing Date (as defined below), subject, however, to the provisions of Section 4.8(b).

(b) If Buyer receives a Seller's Termination Notice, Buyer may thereafter deliver to Seller a Rejection Notice pursuant to Section 4.6 at any time prior to 5 p.m. on the Termination Date. In such event, by notice delivered to Buyer no later than 5 p.m., local time, two (2) business days after delivery of such Rejection Notice ("Reduction Acceptance Notice"), Seller shall have the right and option, but not the obligation, to elect to reduce the Base Purchase Price by the Reduction Amount stated in the Rejection Notice. With any Reduction Acceptance Notice, Seller shall furnish Buyer a draft of the Preliminary Settlement Statement (as defined in Section 6.2(b) below). If Seller delivers Buyer a Reduction Acceptance Notice within the time period stated in the preceding sentence, then (i) Seller's Termination Notice shall be rescinded, (ii) the Base Purchase Price shall be reduced by the Reduction Amount stated in the Rejection Amount, (iii) the provisions of Section 4.6(d) shall apply, and (iv) the Closing shall occur on the Accelerated Closing Date. If Buyer delivers a Rejection Notice within the time period stated in the first sentence of this Section 4.8(b) and Seller fails to deliver a Reduction Acceptance Notice within such time period, then this Agreement shall terminate at the end of such time period. If Buyer fails to deliver a Rejection Notice after receiving a Seller's Termination Notice, then this Agreement shall terminate at 5 p.m. on the Termination Date.

(c) As used in this Agreement, the "ACCELERATED CLOSING DATE" means the second business day following (i) the date on which Buyer delivers the notice described in the second sentence of Section 4.8(a) or (ii) the date on which Seller delivers the Reduction Acceptance Notice pursuant to Section 4.8(b), as applicable; provided, however, that (A) the Accelerated Closing Date shall occur not earlier than the second business day after the last to occur of the following: (i) the expiration or termination of the applicable waiting period (and any extension thereof) under the HSR Act, (ii) obtaining the Required Consents, and (iii) cure of any objections presented by Buyer in the Rejection Notice (if any) but only if and to the extent Seller has elected to attempt to cure the same, and (B) the Accelerated Closing Date shall occur not later than June 19, 2000.

(d) Seller's termination right under this Section 4.8 is cumulative of the other termination rights set forth in Section 8.1.

4.9 NOTICES OF CERTAIN EVENTS. Buyer shall promptly notify Seller upon Buyer's discovery of (i) any information that constitutes or would indicate a breach by Seller of any representation, warranty or agreement of Seller under this Agreement or under any agreement, certificate or other document delivered pursuant to this Agreement or in connection herewith or (ii) any information reducing the value of the Assets and that Buyer intends to present as objections in a Rejection Notice.

ARTICLE V

CONDITIONS TO CLOSING

5.1 SELLER'S CONDITIONS. Notwithstanding anything in this Agreement to the contrary, the obligations of Seller at the Closing are subject, at the option of the Seller, to the satisfaction at or prior to the Closing of all of the following conditions, any one or more of which may be waived, in whole or in part, in writing by Seller:

(a) All representations and warranties of Buyer contained in this Agreement shall be true in all material respects at and as of the Closing as if such representations and warranties were made at and as of the Closing, except that any representation or warranty that by its terms is stated to be made as of a particular date need be true in all material respects as of such date; and Buyer shall have performed and satisfied in all material respects all covenants, agreements and other obligations required by this Agreement to be performed and satisfied by Buyer at or prior to the Closing.

(b) No suit or other proceeding shall be pending before any court or governmental agency seeking to restrain or prohibit or declare illegal, or seeking substantial damages in connection with, the purchase and sale contemplated by this Agreement.

(c) The Required Consents shall have been obtained.

(d) The waiting period (and any extension thereof) under the HSR Act applicable to the transactions contemplated hereby shall have expired or been terminated.

(e) Buyer shall have granted Seller and/or its affiliates the access rights described in Section 4.5.

5.2 BUYER'S CONDITIONS. Notwithstanding anything in this Agreement to the contrary, the obligations of Buyer at the Closing are subject, at the option of Buyer, to the satisfaction at or prior to the Closing Date of all of the following conditions precedent, any one or more of which may be waived, in whole or in part, in writing by Buyer:

(a) All representations and warranties of Seller contained in this Agreement shall be true in all material respects at and as of the Closing as if such representations and warranties were made at and as of the Closing, except that any representation or warranty that by its terms is stated to be made as of a particular date need be true in all material respects as of such date; and Seller shall have performed and satisfied in all material respects all covenants, agreements and other obligations required by this Agreement to be performed and satisfied by Seller at or prior to the Closing.

(b) No suit or other proceeding shall be pending before any court or governmental agency seeking to restrain or prohibit or declare illegal, or seeking substantial damages in connection with, the purchase and sale contemplated by this Agreement.

(c) The Required Consents shall have been obtained.

(d) The waiting period (and any extension thereof) under the HSR Act relating to the transactions contemplated hereby shall have expired or been terminated.

(e) Buyer, acting reasonably, shall be satisfied that, between the Effective Time and the Closing Date, there has been no physical damage to the Assets or Inventory that has a Material Adverse Effect.

(f) Seller shall have delivered to Buyer at Closing a certificate signed by an authorized person of Seller certifying the fulfillment of the conditions set forth in Section 5.1.

ARTICLE VI

CLOSING

6.1 CLOSING. Unless the Parties agree otherwise, the consummation of the transactions contemplated hereby (herein called the "CLOSING") shall be held at the offices of Seller in Fort Worth, Texas, two (2) business days after the expiration or termination of the applicable waiting period (and any extension thereof) under the HSR Act, but in any event not earlier than sixty (60) days after the date of this Agreement and not later than June 19, 2000, subject to the provisions of Section 4.8, unless the Parties mutually agree in writing to extend the date for Closing. The date on which Closing occurs is referred to herein as the "CLOSING DATE."

6.2 CLOSING OBLIGATIONS. At the Closing, the following events shall occur, each being a condition precedent to the others and each being deemed to have occurred simultaneously with the others:

(a) Seller and Buyer shall execute, acknowledge and deliver a Deed, Assignment and Bill of Sale in the form and substance of Exhibit F hereto (in sufficient counterparts to facilitate recording).

(b) Seller shall prepare and deliver to Buyer and Buyer shall execute and deliver a settlement statement (herein called the "PRELIMINARY SETTLEMENT STATEMENT") that shall set forth the Closing Purchase Price and the calculation of each adjustments used to determine the Closing Purchase Price. Seller shall deliver a draft of the Preliminary Settlement Statement to Buyer at least five (5) business days prior to Closing, except as otherwise provided in Section 4.8(b).

(c) Buyer shall pay the Closing Purchase Price to Seller by wire transfer in immediately available funds.

(d) Seller shall deliver to Buyer, a certificate signed by an executive officer of Seller certifying the fulfillment of the conditions set forth in Section 5.1.

(e) Buyer shall deliver to Seller a certificate signed by an executive officer of Buyer certifying the fulfillment of the conditions set forth in Section 5.2.

(f) Buyer and Range Production I, L.P. shall execute and deliver a gas purchase contract in the form of Exhibit G - Gas Purchase Contract (the "GAS PURCHASE CONTRACT") which is attached hereto and by reference is made a part hereof, to be effective as of the first day of the first calendar month following the Closing.

(g) Buyer and Seller shall execute and deliver a gas gathering agreement substantially in the form of Exhibit H - Gas Gathering Agreement which is attached hereto and by reference is made a part hereof, with such changes as shall be mutually acceptable to the Parties, such gas gathering agreement to be effective as of the Effective Time (the "GAS GATHERING AGREEMENT").

(h) Seller shall deliver an executed non-foreign affidavit in the form of Exhibit I - Non-Foreign Affidavit, which is attached hereto and by reference is made a part hereof.

(i) Range Resources Corporation shall execute and deliver to Buyer a Guaranty in the form of Exhibit J - Guaranty by Range Resources Corporation, which is attached hereto and by reference is made a part hereof.

(j) If so requested by Buyer, Seller agrees to cooperate with Buyer to the extent necessary to consummate the sale of the Assets as part of a like-kind exchange pursuant to section 1031 of the Internal Revenue Code of 1986, as amended, applicable Treasury Regulations, and any similar state tax legislation. Specifically, if so requested by Buyer, Seller shall take such action and execute such documents, instruments and agreements as are necessary and appropriate to obtain such tax treatment including, but not limited to, engaging the services of a qualified intermediary and making any federal, state or local filing determined to be necessary to obtain or substantiate such treatment. To the extent any additional costs are incurred in connection with Buyer's efforts to obtain such like-kind exchange treatment, such additional costs shall be borne by Buyer. Nothing herein shall obligate Seller to extend the date for Closing as stated in Section 6.1.

ARTICLE VII

OBLIGATIONS AFTER CLOSING

7.1 SALES TAXES AND RECORDING FEES. As of the date first set forth above, Buyer and Seller believe the sale of Assets, as contemplated by this Agreement, constitutes a sale of real property and equipment incidental to such real property, and as a result no sales tax shall be applicable to the transaction. Buyer and Seller agree to take all reasonable actions necessary to support this transaction as a sale exempt from sales tax. However, Buyer shall pay all sales taxes occasioned, if any, by the sale of the Assets and all documentary, filing and recording fees required in connection with the filing and recording of any assignments; Seller shall provide Buyer with all assistance reasonably required to support Buyer in the event that any taxing authority should dispute the non-taxable nature of this transaction; provided, however, that Seller shall have no obligation to incur any expense in connection with such assistance.

7.2 FURTHER ASSURANCES. After Closing, Seller and Buyer shall execute, acknowledge and deliver or cause to be executed, acknowledged and delivered all such instruments and take all such other action including payment of monies as may be necessary or advisable to carry out their obligations under this Agreement and under any document, certificate or other instrument delivered pursuant hereto or required by law.

7.3 RECEIPT OF FUNDS BY BUYER. If at any time subsequent to the Closing, Buyer comes into possession of money or property belonging to Seller that was not previously accounted for by credit or adjustment according to this Agreement such money or other property shall be promptly delivered to Seller.

7.4 RECEIPT OF FUNDS BY SELLER. If at any time subsequent to the Closing, Seller comes into possession of money or property belonging to the Buyer that was not previously accounted for by credit or adjustment according to this Agreement such money or other property shall be promptly delivered to the Buyer.

7.5 FILES AND RECORDS. At, or as soon as practicable after, Closing, Buyer and Seller shall arrange for the delivery of the Records to Buyer. For a period of three years after the Closing Date Buyer shall allow Seller access to the Records during Buyer's normal business hours for any legitimate business purpose; provided that, any copies of Records made by Seller shall be at the sole expense of Seller. Seller shall not be entitled to any confidential record of Buyer.

7.6 BUYER'S DISCLAIMERS OF REPRESENTATIONS AND WARRANTIES. The express representation and warranties of Seller contained in this Agreement are exclusive and are in lieu of all other representations and warranties, express, implied or statutory. BUYER ACKNOWLEDGES THAT, EXCEPT FOR SELLER'S EXPRESS REPRESENTATIONS, WARRANTIES AND AGREEMENTS CONTAINED HEREIN, NEITHER SELLER NOR ANY OF ITS AFFILIATES HAS MADE, AND SELLER HEREBY EXPRESSLY DISCLAIMS AND NEGATES, AND BUYER HEREBY EXPRESSLY WAIVES ANY REPRESENTATION OR WARRANTY, EXPRESS, IMPLIED, AT COMMON LAW, BY STATUTE OR OTHERWISE

RELATING TO (I) THE ENVIRONMENTAL CONDITION OF THE ASSETS, (II) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (III) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (IV) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (V) ANY RIGHTS OF PURCHASERS UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, AND (VI) ANY AND ALL IMPLIED WARRANTIES EXISTING UNDER APPLICABLE LAW; IT BEING THE EXPRESS INTENTION OF BOTH BUYER AND SELLER THAT THE ASSETS ARE TO BE CONVEYED TO BUYER IN THEIR PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", AND THAT BUYER HAS MADE OR CAUSED TO BE MADE SUCH INSPECTIONS AS BUYER DEEMS APPROPRIATE.

7.7 STERLING MODIFICATIONS. By not later than sixty (60) days after the Closing, Buyer shall modify the Sterling Gathering System by adding measuring equipment, in accordance with the Gas Purchase Contract, immediately down-stream of the division between the Range Low Pressure Gas Gathering System and the Sterling Gathering System. Prior to the commencement of such modification, Buyer shall communicate with Seller about Buyer's plans and specifications therefor and give Seller the opportunity to consult with Buyer regarding such plans, specifications, and the work contemplated thereby. Such modifications by Buyer shall not modify, or unreasonably interfere with the operation of, the Range Low Pressure Gas Gathering System.

ARTICLE VIII

TERMINATION OF AGREEMENT

8.1 TERMINATION. This Agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the Closing:

(a) by mutual consent of Buyer and Seller;

(b) by either Buyer or Seller if the Closing shall not have occurred by the Closing Date stated in Section 6.1; provided, however, that this right to terminate this Agreement shall not be available to a Party whose breach of this Agreement has been the cause of, or resulted in, the failure of the Closing to occur on or before such date;

(c) by Buyer or Seller pursuant to the provisions of Section 4.6;

(d) by Seller pursuant to Section 4.8;

(e) by either Buyer or Seller if any court or governmental agency shall have issued an order, decree, or ruling or taken any other action, in each case permanently restraining, enjoining, or otherwise prohibiting the transactions contemplated by this Agreement, and such order, decree, ruling, or other action shall have become final and nonappealable; or

(f) by either Buyer or Seller if the terminating Party is not then in material breach of this Agreement and if (i) with respect to a termination by Buyer, there shall have been any material breach of one or more representations or warranties of Seller, (which has not been waived) or breach of one or more covenants or agreements set forth in this Agreement by Seller, (which has not been waived), or (ii) with respect to a termination by Seller, there shall have been a material breach of one or more representations or warranties of Buyer (which has not been waived) or breach of one or more covenants or agreements set forth in this Agreement by Buyer (which has not been waived).

8.2 LIABILITIES. Except as provided in this Section 8.2, nothing contained in this Agreement shall limit the legal or equitable remedies that may be available to Seller or Buyer prior to the Closing; provided, however, (a) neither Party shall be liable to the other for consequential damages, (b) if all conditions precedent set forth in Section 5.2 have been satisfied, but Buyer refuses to close, Seller shall have the option to pursue its actual

damages, (c) if all conditions precedent set forth in Section 5.1 have been satisfied, but Seller refuses to close, Buyer shall have the option to either pursue specific performance or pursue its actual damages, and (d) in no event, shall Seller have any liability to Buyer hereunder if Buyer terminates this Agreement prior to Closing because any representation or warranty made by Seller herein is incorrect.

ARTICLE IX

INDEMNIFICATION

9.1 OBLIGATION OF PARTIES TO INDEMNIFY.

(a) Subject to the limitations set forth in this Article IX, effective as of the Closing, Seller hereby indemnifies, defends and holds harmless Buyer and its affiliates and their respective directors, officers, employees and agents (the "BUYER INDEMNIFIED PARTIES") from and against any and all claims, losses, damages, liabilities, deficiencies, obligations or expenses of any kind or type (including reasonable costs of defense and investigations, settlements, and reasonable attorneys' fees and also including any losses attributable to personal injury or death or property damage) (collectively, "LOSSES") arising out of or resulting from any of the following:

(i) the Retained Liabilities;

(ii) the breach by Seller of any agreement or covenant of Seller hereunder; and

(iii) the inaccuracy or breach of any representation or warranty made by Seller herein.

(b) Buyer, effective as of the Closing, hereby indemnifies, defends and holds harmless Seller and its partners and affiliates and their respective directors, officers, employees, agents and successors and assigns (the "SELLER INDEMNIFIED PARTIES"), from and against any and all Losses arising out of or resulting from any of the following:

(i) the Assumed Liabilities;

(ii) the breach by Buyer of any agreement or covenant of Buyer hereunder; and

(iii) the inaccuracy or breach of any representation or warranty made by Buyer herein.

The foregoing obligation of Buyer to indemnify Seller shall not apply to the extent of a breach of a representation, warranty or covenant of Seller herein.

9.2 INDEMNIFICATION PROCEDURES - THIRD PARTY CLAIMS.

(a) If any Party (the "INDEMNIFIED PARTY") receives written notice of the commencement of any action or proceeding or the assertion of any claim by a third party or the imposition of any penalty or assessment for which indemnity may be sought under this Article IX (a "THIRD PARTY CLAIM"), and such Indemnified Party intends to seek indemnity pursuant to this Article IX, the Indemnified Party shall promptly provide the other Party (the "INDEMNIFYING PARTY") with notice of such Third Party Claim. The Indemnifying Party shall be entitled to participate in or, at its option, assume the defense, appeal or settlement of such Third Party Claim. Such defense or settlement shall be conducted through counsel selected by the Indemnifying Party and approved by the Indemnified Party, which approval shall not be unreasonably withheld or delayed, and the Indemnified Party shall fully cooperate with the Indemnifying Party in connection therewith. In the event that the Indemnifying Party fails to assume the defense or settlement of any Third Party Claim within 10 business days after receipt of notice thereof from the Indemnified Party, the Indemnified Party shall have the right to undertake the defense, appeal or settlement of such Third Party Claim at the expense and for the account of the Indemnifying Party.

(b) The Indemnified Party shall be entitled, at its own expense, to participate in the defense of such Third Party Claim (provided, however, that the Indemnifying Parties shall pay the attorneys' fees of the Indemnified Party if the employment of separate counsel shall have been authorized in writing by any such Indemnifying Party in connection with the defense of such Third Party Claim, the Indemnifying Parties shall not have employed counsel reasonably satisfactory to the Indemnified Party to have charge of such Third Party Claim, the Indemnified Party shall have reasonably concluded that there may be defenses available to such Indemnified Party that are different from or additional to those available to the Indemnifying Party, or the Indemnified Party's counsel shall have advised the Indemnified Party in writing, with a copy delivered to the Indemnifying Party, that there is a conflict of interest that could make it inappropriate under applicable standards of professional conduct to have common counsel);

(c) The Indemnifying Party shall obtain the prior written approval of the Indemnified Party (which approval shall not be unreasonably withheld) before entering into or making any settlement, compromise, admission, or acknowledgment of the validity of any Third Party Claim or any liability in respect thereof if, pursuant to or as a result of such settlement, compromise, admission, or acknowledgment, injunctive or other equitable relief would be imposed against the Indemnified Party or if, in the opinion of the Indemnified Party, such settlement, compromise, admission, or acknowledgment could have an adverse effect on its business, operations, assets, or financial condition.

(d) No Indemnifying Party shall consent to the entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by each claimant or plaintiff to each Indemnified Party of a release from all liability in respect of such Third Party Claim.

(e) Notwithstanding Section 9.2(a), the Indemnifying Party shall not be entitled to control (but shall be entitled to participate at its own expense in the defense of), and the Indemnified Party shall be entitled to have sole control over, the defense or settlement, compromise, admission, or acknowledgment of any Third Party Claim as to which the Indemnifying Party fails to assume the defense within 10 business days after receipt of notice thereof from the Indemnified Party or to the extent the Third Party Claim seeks an order, injunction, or other equitable relief against the Indemnified Party which, if successful, would materially adversely affect the business, operations, assets, or financial condition of the Indemnified Party; provided, however, that the Indemnified Party shall make no settlement, compromise, admission, or acknowledgment that would give rise to liability on the part of any Indemnifying Party without the prior written consent of such Indemnifying Party.

9.3 DIRECT CLAIMS. In any case in which an Indemnified Party seeks indemnification hereunder which is not subject to Section 9.2 because no Third Party Claim is involved, the Indemnified Party shall notify the Indemnifying Party in writing of any Losses which such Indemnified Party claims are subject to indemnification under the terms hereof. Subject to the limitations otherwise set forth in this Article IX, the failure of the Indemnified Party to exercise promptness in such notification shall not amount to a waiver of such claim unless the resulting delay materially prejudices the position of the Indemnifying Party with respect to such claim.

9.4 SURVIVAL OF COVENANTS, REPRESENTATIONS AND WARRANTIES. The representations, warranties and covenants made by Seller pursuant to this Agreement or any certificate or other document delivered by Seller at the Closing shall survive the Closing for the following periods after the Closing Date: (i) for all representations and warranties, two years, (ii) for all covenants in Article IV, two years, (iii) for all covenants in Sections 1.5 and 9.1(a)(i) relating to Retained Liabilities to the extent, but only to the extent, such Retained Liabilities are listed and described in clauses (a), (c), (d) and (g) of Section 1.5, no time limit, and (iv) for all covenants in Sections 1.5 and 9.1(a)(i) relating to Retained Liabilities to the extent, but only to the extent, such Retained Liabilities are listed and described in clauses (b), (e) and (f) of Section 1.5, ten years. The representations, warranties and covenants made by Buyer pursuant to this Agreement or any certificate or other document delivered by Buyer at the Closing shall survive the Closing for the following periods after the Closing Date: (i) for all representations and warranties, two years, (ii) for all covenants in Article IV, two years, (iii) for all covenants in Sections 1.4 and 9.1(b)(i) relating to Assumed Liabilities to the extent, but only to the extent, such Assumed Liabilities are listed and described in clauses (a) and (c) of Section 1.4, no time limit, and (iv) for all covenants in Sections 1.4 and 9.1(b)(i) relating to Assumed Liabilities to the extent, but only to the extent, such Assumed Liabilities are listed and described in clauses (b) and

(d) of Section 1.4, ten years. Representations, warranties and covenants of either Party under this Agreement shall be of no further force or effect after the applicable expiration date specified above; provided, however, that there shall be no such termination of any representation, warranty or covenant with respect to which a bona fide claim has been asserted prior to such date in accordance with this Article IX. Any claim for indemnification hereunder that is subject to a time limitation, to be effective, must be asserted in writing prior to the applicable expiration date.

9.5 LIABILITY DEDUCTIBLE AND CAP. NO CLAIM FOR INDEMNIFICATION MAY BE MADE UNDER SECTION 9.1(a) UNLESS AND UNTIL THE AGGREGATE AMOUNT OF LOSSES THAT MAY BE CLAIMED THEREUNDER EXCEED \$100,000, AND SELLER SHALL BE LIABLE UNDER SECTION 9.1(a) ONLY TO THE EXTENT SUCH LOSSES SUFFERED BY THE BUYER INDEMNIFIED PARTIES EXCEED \$100,000 IN THE AGGREGATE. NO LOSSES WHICH INVOLVE LESS THAN \$25,000 SHALL BE INCLUDED IN DETERMINING WHETHER THE AMOUNT OF SUCH INDEMNIFICATION EXCEEDS THE DEDUCTIBLE AMOUNT OF \$100,000. FOR PURPOSES OF DETERMINING WHETHER A LOSS INVOLVES AT LEAST \$25,000, ALL LOSSES ARISING OUT OF OR RELATED TO THE SAME EVENT OR CIRCUMSTANCE OR A SERIES OF RELATED EVENTS OR CIRCUMSTANCES SHALL BE TREATED AS ONE LOSS. IN NO EVENT SHALL SELLER'S LIABILITY FOR ANY LOSSES UNDER THIS AGREEMENT OR IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED HEREBY EXCEED THE BASE PURCHASE PRICE, EXCEPT IN THE CASE OF FRAUD.

9.6 EXCLUSIVE REMEDY. EACH OF THE PARTIES HERETO ACKNOWLEDGES AND AGREES THAT ITS SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO (I) ANY AND ALL LOSSES, (II) ANY OTHER CLAIMS PURSUANT TO OR IN CONNECTION WITH THIS AGREEMENT, OR (III) ANY OTHER CLAIMS RELATING TO THE ASSETS AND THE PURCHASE AND SALE OF SAME BY BUYER AND SELLER, SHALL BE LIMITED TO THE INDEMNIFICATION PROVISIONS SET FORTH IN THIS ARTICLE IX.

9.7 CLAIM REIMBURSEMENT AND REDUCTION. Any claim for Losses shall be reduced to the extent of any third party insurance or condemnation payment actually received by the Indemnified Party or, alternatively, at the option of the Indemnifying Party, the rights of the Indemnified Party against any insurer or governmental authority with respect to such claim shall be assigned to the Indemnifying Party.

9.8 NO PUNITIVES. EXCEPT IN THE CASE OF FRAUD AND EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, BUYER AND SELLER (I) AGREE THAT ONLY ACTUAL DAMAGES SHALL BE RECOVERABLE UNDER THIS AGREEMENT AND (II) HEREBY WAIVE ANY RIGHT TO RECOVER, AND AGREE THAT THE TERM LOSSES SHALL NOT COVER, SPECIAL, PUNITIVE, CONSEQUENTIAL, INCIDENTAL OR EXEMPLARY DAMAGES (WHETHER BASED ON STATUTE, CONTRACT, TORT OR OTHERWISE) EXCEPT TO THE EXTENT ANY SUCH INDEMNIFIED PARTY SUFFERS SUCH DAMAGES TO AN UNAFFILIATED THIRD-PARTY IN CONNECTION WITH A THIRD-PARTY CLAIM, IN WHICH EVENT SUCH DAMAGES SHALL BE RECOVERABLE.

9.9 DEFECTIVE ENVIRONMENTAL CONDITIONS. If and to the extent Seller is obligated, pursuant to this Article IX, to indemnify Buyer against Losses associated with any Defective Environmental Condition, then the following provisions shall apply.

(a) Seller shall pay and be responsible for correcting such Defective Environmental Condition, and shall proceed expeditiously in accordance with industry accepted practices to correct such Defective Environmental Condition. Buyer will cooperate with Seller in implementing any remedial activities, including natural attenuation or monitoring remedies and institutional controls or other appropriate restrictions on the use of property for purposes of Seller's correction of such Defective Environmental Conditions. Buyer shall provide Seller and Seller's environmental consultants and contractors with access to the Assets during normal business hours for purposes of correcting such Defective Environmental Conditions, and Seller and Seller's environmental consultants and contractors

shall undertake all reasonable efforts to minimize any adverse impact of their activities on Buyer's ownership, use and operation of the Assets.

(b) To correct a Defective Environmental Condition involving a violation of Environmental Laws, Seller shall cure the violation and provide reasonable evidence to Buyer substantiating that the violation has been cured. To correct a Defective Environmental Condition involving Hazardous Material, Seller shall perform, or cause to be performed, the type of remediation that a prudent operator would perform and shall provide Buyer with written assurance from the appropriate Governmental Authority that no further action is required in connection with the Defective Environmental Condition or a certification from a qualified consultant that the appropriate remediation has been performed and that no further response is required under applicable Environmental Laws as in effect as of the date of this Agreement.

(c) As used in this Agreement, the term "DEFECTIVE ENVIRONMENTAL CONDITION" means the existence of: (i) a condition constituting a violation of Environmental Laws as currently in effect associated with or arising from the past or current ownership, operation or condition of the Assets, or (ii) the presence of Hazardous Material in the soil, subsurface media, groundwater, or surface water or building at, on, in or under the Assets, or which has migrated from the Assets, in a manner or quantity: (A) which is required by Environmental Laws as currently in effect to be remediated; or (B) for which a permit or closure plan that is required under Environmental Laws as currently in effect has not been obtained.

(d) As used in this Agreement, the term "HAZARDOUS MATERIAL" means any materials or substances that as of the date of this Agreement are defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "extremely hazardous wastes", under any Environmental Law.

9.10 CLAIM LIMITATION. If Closing occurs, Seller Indemnified Parties, and any of them, may not bring (and hereby waives, and forfeits) any claim against Buyer Indemnified Parties for the inaccuracy, violation or breach of any representation, warranty or covenant in this Agreement to the extent any Seller Indemnified Party had actual knowledge of such inaccuracy, violation or breach on or before the Closing. If Closing occurs, Buyer Indemnified Parties, and any of them, may not bring (and hereby waives, and forfeits) any claim against Seller Indemnified Parties for the inaccuracy, violation or breach of any representation, warranty or covenant in this Agreement to the extent any Buyer Indemnified Party had actual knowledge of such inaccuracy, violation or breach on or before the Closing.

ARTICLE X

GENERAL

10.1 EXHIBITS AND SCHEDULES. All Exhibits and Schedules attached hereto are hereby incorporated in this Agreement by reference and constitute a part of this Agreement. Each Party and its counsel has received a complete set of all Exhibits and Schedules prior to and as of the execution of this Agreement.

10.2 EXPENSES. All fees, costs and expenses incurred by Buyer or Seller in negotiating this Agreement or in consummating the transactions contemplated by this Agreement shall be paid by the Party incurring the same including, without limitation, legal and accounting fees, costs and expenses.

10.3 NOTICES. All notices or communications required or permitted under this Agreement shall be in writing, and any notices or communications hereunder shall be deemed to have been duly made if delivered by (a) personal delivery, (b) overnight delivery service, (c) telecopy with confirmation, or (d) three business days after being placed in first class certified mail, postage prepaid, with return receipt requested to the following addresses:

All notices to Seller by mail shall be delivered to:

Range Pipeline Systems, L.P.

500 Throckmorton, Suite 1900
Fort Worth, Texas 76102
Attention: Mr. Chad L. Stephens
Telecopy No.: 817/870-2316

All notices to Seller other than by mail shall be delivered to:

Range Pipeline Systems, L.P.
801 Cherry Street, Suite 1550
Fort Worth, Texas 76102
Attention: Mr. Chad L. Stephens
Telecopy No.: 817/870-2316

All notices to Buyer shall be delivered to:

Conoco Inc.
600 N. Dairy Ashford, HU 3068
Houston, Texas 77079-1175
Attention: NG&GP, Manager, Business Development
Telecopier No.: 281/293-4167

The address at which any Party is to receive notice may be changed from time to time by such Party by giving notice of the new address to the other Party. Any notice or communication given by telecopy shall be promptly confirmed by delivery of a copy of such notice or communication by hand or overnight delivery service.

10.4 AMENDMENTS. This Agreement may neither be amended nor any rights hereunder waived except by an instrument in writing signed by the Party to be charged with such amendment or waiver and delivered by such Party to the Party claiming the benefit of such amendment or waiver.

10.5 HEADINGS. The headings of the articles and sections of this Agreement are for guidance and convenience of reference only and shall not limit or otherwise affect any of the terms or provisions of this Agreement.

10.6 COUNTERPARTS. This Agreement may be executed by Buyer and Seller in any number of counterparts, each of which shall be deemed an original instrument, but all of which together shall constitute but one and the same instrument.

10.7 REFERENCES. References made in this Agreement, including use of a pronoun, shall be deemed to include where applicable, masculine, feminine, singular or plural, individuals, partnerships or corporations.

10.8 GOVERNING LAW. THIS AGREEMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE CONSTRUED IN ACCORDANCE WITH, AND GOVERNED BY, THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ANY CONFLICT OF LAWS RULES.

10.9 ENTIRE AGREEMENT. This Agreement (including the Exhibits and Schedules hereto) constitutes the entire understanding among the Parties with respect to the subject matter hereof, superseding all negotiations, prior discussions and prior agreements and understandings relating to such subject matter. No course of dealing between the Parties shall be effective to amend or waive any provision of this Agreement.

10.10 ASSIGNMENTS. Neither Buyer nor Seller may assign all or any portion of their respective rights or delegate any portion of their duties hereunder without the prior written consent of the other, which consent shall not be unreasonably withheld.

10.11 PUBLIC ANNOUNCEMENTS. No Party will issue any press release or other public announcement with respect to this Agreement or the transactions contemplated hereby without the prior written approval of the other Party, except as may be required by such Party or its affiliate under applicable laws or stock exchange rules or regulations or mutually agreed in advance (it being acknowledged and understood by Buyer, that Seller may determine, in its sole discretion, whether disclosure of this Agreement and the transactions contemplated hereby is required pursuant to the reporting obligations of Seller and its affiliates under the Securities Exchange Act of 1934 or the stock exchange rules or regulations of the New York Stock Exchange).

10.12 NOTICES AFTER CLOSING; SURVIVAL. Buyer and Seller hereby agree that each Party shall notify the other of its receipt, after the Closing Date, of any instrument, notification or other document affecting the Assets while owned by such other Party. Those provisions hereof that contemplate or provide for effect or performance after the Effective Time or Closing shall survive the Effective Time and Closing.

10.13 SEVERABILITY. If a court of competent jurisdiction determines that any clause or provision of this Agreement is void, illegal or unenforceable, the other clauses and provisions of the Agreement shall remain in full force and effect and the clauses and provisions that are determined to be void, illegal or unenforceable shall be limited so that they shall remain in effect to the extent permissible by law.

10.14 TIME IS OF THE ESSENCE. It is understood and agreed that time is of the essence in this Agreement.

10.15 PARTIES IN INTEREST. This Agreement shall be binding upon and inure solely to the benefit of each Party hereto and their successors and assigns, and nothing in this Agreement (except as may be set forth in the indemnification provisions of this Agreement) is intended to confer upon any other person any rights or remedies of any nature whatsoever under or by reason of this Agreement.

10.16 INTERPRETATION. Any capitalized terms used in any Schedule or Exhibit but not otherwise defined therein shall have the meaning as defined in this Agreement. References to defined terms in the singular shall include the plural and references to defined terms in the plural shall include the singular. For all purposes hereof:

10.17 DEFINITIONS The following terms wherever used in this Agreement shall have the following meanings:

"AFFILIATE" of any party means any person or entity controlling, controlled by or under common control with such party.

"BUSINESS DAY" means any day on which banks are open for business in Houston, Texas, other than Saturday or Sunday.

"INCLUDING" means including, without limitation.

"KNOWLEDGE" means either actual knowledge or knowledge that would result from a reasonable internal investigation of the type described in the immediately succeeding sentence, of officers of a Party, and current employees of a Party holding supervisory or managerial positions with respect to the business or department to which the Assets relate. The investigation contemplated by this definition would involve making reasonable inquiries of personnel employed by, and reviews of books and records owned by and in the possession of, the Party (including its affiliates) to which the Knowledge relates, but would not involve an audit or any inquiry of any non-affiliated person.

"MATERIAL" means that the change, fact, effect or other matter with respect to which the word "material" is used (other than the phrase "Material Adverse Effect"), has a value, impact or effect of more than \$25,000.

"MATERIAL ADVERSE EFFECT" means any circumstance, change, development or event which has had or would reasonably be expected to have a material (without reference to the above definition of the term "material") adverse effect on the ownership, operation or use of the Assets taken as a whole; provided, however, that such term shall not include future changes in general economic, industry or market conditions or changes in Environmental Laws or other applicable laws.

"PERSON" means any natural person, corporation, partnership, trust, estate or other entity.

"PERMITTED ENCUMBRANCES" means the following:

(1) any (a) undetermined or inchoate mortgage, pledge, lien, claim, charge, security, interest or other similar encumbrance (collectively, "Liens") constituting or securing the payment of expenses that were incurred in connection with the maintenance or operation of the Assets, and (b) materialman's, mechanics', repairman's, employees', contractors', operators', or other similar Liens for liquidated amounts arising in the ordinary course of business for amounts that are either (x) not yet due or (y) if due, being contested by Seller in good faith in the normal course of business, to the extent the Liens described in the preceding clauses (a) and (b) above (A) are not material in amount and (B) do not materially impair or adversely affect the use or operation of the Assets;

(2) any consents to transfer applicable to the transfer of the Assets contemplated hereby to the extent the consent is obtained prior to Closing or waived by Buyer;

(3) Liens for taxes or assessments not yet due or not yet delinquent or, if delinquent, that are being contested by Seller or its affiliates in good faith in the normal course of business;

(4) easements, rights-of-law, servitudes, permits, surface leases and other rights in respect of surface operations, pipelines, grazing, logging, canals, ditches, reservoirs or the like, and easements for streets, alleys, highways, pipelines, telephone lines, power lines, railways and other easements and rights-of-way, on, over or in respect of any of the Assets which do not materially interfere with the current operation of the Assets;

(5) rights reserved to or vested in any municipality or governmental, statutory or public authority to control or regulate any of the Assets in any manner, and all applicable laws, rules and orders of any governmental authority; and

(6) any title defects (x) that Buyer has expressly waived in writing or (y) as to which an adjustment to the purchase price of the Assets has been made.

10.18 WAIVER OF CONSUMER RIGHTS.

WAIVER OF CONSUMER RIGHTS

BUYER WAIVES ITS RIGHTS UNDER THE DECEPTIVE TRADE PRACTICES-CONSUMER PROTECTION ACT, SECTION 17.41 ET SEQ., TEXAS BUSINESS & COMMERCE CODE, A LAW THAT GIVES CONSUMERS SPECIAL RIGHTS AND PROTECTIONS. AFTER CONSULTATION WITH AN ATTORNEY OF ITS OWN SELECTION, BUYER VOLUNTARILY CONSENTS TO THIS WAIVER.

IN WITNESS WHEREOF, the Parties have executed or caused the Agreement to be executed as of the date and year first above written.

SELLER: RANGE PIPELINE SYSTEMS, L. P., a Texas limited partnership, by its General Partner, Range Gathering & Processing Company

By: /s/ Chad L. Stephens

Name: Chad L. Stephens

Its: Senior Vice President

BUYER: CONOCO INC.

By: /s/ Michael T. Swenson

Name: Michael T. Swenson

Its: Attorney-in-Fact

GAS PURCHASE CONTRACT
BETWEEN RANGE PRODUCTION I, L.P. AS SELLER
AND CONOCO INC. AS BUYER
DATED JULY 1, 2000

GAS PURCHASE CONTRACT
 BETWEEN RANGE PRODUCTION I, L.P. AS SELLER
 AND CONOCO INC. AS BUYER
 DATED JULY 1, 2000.
 INDEX

PARAGRAPH
 - - - - -

1.	COMMITMENT	1
2.	POINTS OF DELIVERY	1
3.	DELIVERY PRESSURE AND QUANTITY	1
4.	PRICE	2
5.	TERM	5
6.	ADDRESSES AND NOTICES	5
7.	UNPROFITABILITY	6

EXHIBIT A GENERAL TERMS AND CONDITIONS

A.	DEFINITIONS	8
B.	DELIVERY DATE	10
C.	RESERVATIONS OF SELLER	11
D.	METERING	12
E.	DETERMINATION OF GAS COMPOSITION	14
F.	QUALITY OF GAS	14
G.	BILLING AND PAYMENT	15
H.	FORCE MAJEURE	16
I.	TITLE, OWNERSHIP	17
J.	ROYALTY	17
K.	SEVERANCE AND SIMILAR TAXES	17
L.	LAWS AND REGULATIONS	17
M.	RIGHT OF WAY AND INGRESS, EGRESS	18
N.	ASSIGNMENT	18
O.	MISCELLANEOUS PROVISIONS	18

EXHIBIT B DEDICATION DESCRIPTION

EXHIBIT C SAMPLE ALLOCATION AND SETTLEMENT CALCULATIONS

GAS PURCHASE CONTRACT

This Contract is entered as of July 1, 2000 between RANGE PRODUCTION I, L.P. ("Seller") and Conoco Inc. ("Buyer") and becomes effective July 1, 2000.

For and in consideration of the mutual covenants contained herein, the parties agree as follows:

COMMITMENT.

Seller agrees to sell and Buyer agrees to purchase all of the legally produced gas from wells now or hereafter located on all oil and gas leasehold interests now or hereafter owned or operated by Seller on or allocated to the following lands in Glasscock and Sterling Counties, Texas, to wit:

AS OUTLINED IN EXHIBIT B ATTACHED HERETO AND MADE A PART HEREOF BY REFERENCE HEREIN.

The General Terms and Conditions, which are a part of this Contract, are attached as Exhibit A and incorporated by reference.

POINTS OF DELIVERY.

The Points of Delivery of gas to be delivered by Seller to Buyer for existing sources of production shall be at the inlet flange of Buyer's meters at mutually agreed locations at or near the inlet of Buyer's a) North Conger compression facilities in the NE/4 Section 10, Block 22, H&TC RR Survey, Sterling County, TX; b) Middle Conger compression facilities in the N/2 Section 30, Block 13, SPRR Survey, Sterling County, TX; c) South Conger compression facilities in the N/2 Section 7, Block 21, H&TC RR Survey, Sterling County, TX; d) Ray Glass measurement facilities in the N/2 Section 2, T&P RR Survey Block 31, T-5-S, Sterling County, TX; and (e) Grigsby Glass measurement facilities S/2 NW/4 Section 2, Block 32 T&P RR Survey Township 5S, Glasscock County, Texas. The Point(s) of Delivery for future sources of production will be established under Exhibit A, Paragraph B.2. Title to the gas and all its components shall pass to and vest in Buyer at the inlet flange of Buyer's meter at the Points of Delivery.

DELIVERY PRESSURE AND QUANTITY.

- (a) The gas shall be delivered by Seller at the Points of Delivery at a pressure sufficient to enable it to enter Buyer's Facilities against the working pressure at reasonably uniform rates of delivery. Buyer will maintain a Working Pressure (Exhibit A, Para. A.2) at Points (d) and (e) described in Paragraph 2 no greater than 1,200 psig. Buyer will maintain a Working Pressure for Points (a), (b) and (c) described in Paragraph 2 at no greater than thirty-five (35) psig during any Day. Days during which the Working Pressure for a Point of Delivery exceeds the limits set out herein are referred to as "Excess Pressure Days". In order to provide for normal maintenance and repairs, Buyer shall be allowed up to three consecutive Excess Pressure Days per event. Additionally, Buyer will be allowed up to 21 consecutive Excess Pressure Days for each compressor or engine overhaul or replacement.
- (b) Except as otherwise herein provided, it is understood and agreed that Buyer will take and purchase one hundred percent (100%) of the gas produced and made available for sale at the Point(s) of Delivery by Seller. Except for reasons of force majeure (Exhibit A, Para. H), in the event that a greater number of Excess Pressure Days occur during a Month at Points (a), (b) or (c) than allowed in Paragraph 3(a) and in Exhibit A, Paragraph B.2, Buyer agrees to compensate Seller for excess delivery pressures as provided in Paragraph 3(c) herein.
- (c) During any Month when the number of Excess Pressure Days exceed the allowed number of Excess Pressures Days, Buyer shall waive the \$0.265/Mcf fee deducted from settlements due Seller under Paragraph 4.4 for the volume (in Mcf) delivered to the affected Point(s) of Delivery for days during which the Working Pressure exceeded 35 psig, excluding exempt days. In order to implement the fee waiver pursuant to this paragraph, Seller must notify Buyer in writing within 45 days after the Month in which the

allowed number of Excess Pressure Days was exceeded. Buyer will investigate Seller's claim and make appropriate adjustment to Seller's payment, without interest, within 30 days of Buyer's receipt of Seller's notice. If Buyer has not received notice of excessive Excess Pressure Days within 45 days after the Month in which they are alleged to have occurred, no waiver or adjustment will be required.

- (d) Seller may dispose of gas not taken during events of force majeure, subject to Buyer's right to resume purchases at any subsequent time, provided however, that Seller may, upon thirty (30) days written notice to Buyer, release from this Contract any gas that has not been taken for thirty (30) days by Buyer. In the event Buyer does not take gas for fifteen (15) consecutive days and Seller secures a different temporary market, Buyer may resume purchases only upon sixty (60) days' advance written notice as of the beginning of a Month unless otherwise agreed.

PRICE.

CONSIDERATION.

As full consideration for the gas and all its components delivered to Buyer each Month, Buyer shall pay Seller (a) ninety percent (90%) of the Residue Gas Proceeds as determined under Paragraph 4.2 below from the sale of Residue Gas Allocated to Seller, and (b) ninety percent (90%) of the NGL Proceeds determined under Paragraph 4.3 below from the sale of any NGL's Allocable to Seller.

RESIDUE GAS PROCEEDS.

- (a) The Residue Gas Proceeds shall be determined by multiplying the MMBtu's of Residue Gas Allocable to Seller times the Index price published in Inside F.E.R.C.'s Gas Market Report for gas delivered to pipe at the Houston Ship Channel/Beaumont, Texas (Large Packages) less \$.10/MMBtu.
- (b) Each 12-Month period beginning on November 1 during the term of this Contract is herein referred to as a "Pricing Period". Effective with the Pricing Period beginning November 1, 2000 and annually thereafter, either party shall have the right to require a redetermination of the price to be used in calculating the Residue Gas Proceeds payable to Seller pursuant to Paragraph 4.1. Such redetermination shall be requested by written notice to the other party no later than September 1 prior to the Pricing Period for which the redetermined price is to be effective. The parties will then negotiate in good faith to agree upon a replacement price for the calculation of Residue Gas Proceeds hereunder. If the parties have not agreed to a redetermined price for such calculation by October 1, then Seller will take delivery in kind of 90 percent of the Residue Gas Allocated to Seller, as provided in Paragraph 4.6 below, during the following Pricing Period. During any Pricing Period when Seller is taking its share of Residue Gas in kind, Buyer will notify Seller by September 1 of the price that Buyer is willing to offer in calculating Residue Gas Proceeds during the subsequent Pricing Period, and Seller will have the option for such subsequent Pricing Period either to accept the redetermined price offered by Buyer or to continue taking its share of Residue Gas in kind.

NGL PROCEEDS.

NGL Proceeds from the sale of NGL's Allocable to Seller shall be determined by multiplying the quantity of each NGL component allocable to Seller's gas by the Average Price per gallon for each NGL component. The term "Average Price" as to each NGL component shall mean the simple average of the daily average spot prices (non-TET) for (i) purity ethane, (ii) propane, (iii) iso-butane, (iv) normal butane, and (v) the pentanes and heavier during the Month as reported for Mt. Belvieu, Texas by the Oil Price Information Service (or in its absence, a comparable mutually agreed successor publication) less all actual expenses, fees and adjustments incurred by Buyer in connection with the delivery, transportation, fractionation and sale of such NGL's ("T&F costs"), which equaled \$0.0368 per gallon as of November 1999. Notwithstanding the foregoing, the parties agree that from the effective date through November 30, 2000, the T&F costs for NGL's Allocable to Seller will be \$0.02848 per gallon.

COMPRESSION, GATHERING AND FACILITIES USE FEE.

- (a) The payment for gas delivered at Points (a), (b) and (c) described in Paragraph 2 as computed under Paragraphs 4.1, 4.2, and 4.3 shall be reduced by twenty-six and one half cents per Point of Delivery Mcf (\$0.265/Mcf), hereinafter the "Compression, Gathering and Facilities Use Fee". Said Compression, Gathering and Facilities Use Fee shall remain unchanged from the effective date of this Contract through calendar year 2003. Effective January 1, 2004, and each January 1 thereafter, the Compression, Gathering and Facilities Use Fee will be adjusted as provided in Paragraph 4.4(b). This will be the total of all charges reimbursed to Buyer to transport gas from the Point(s) of Delivery to Buyer's plant and to process Seller's gas delivered.
- (b) For calendar year 2004 and each calendar year thereafter, the Compression, Gathering and Facilities Use Fee set out in 4.4(a) will be multiplied by a fraction, the numerator of which will be the Consumer Price Index for All Urban Consumers ("CPI") for January of such calendar year and the denominator of which will be the CPI for January 2000.

ALLOCATION OF RESIDUE GAS AND NGL'S.

Buyer will determine the Residue Gas and NGL's Allocable to Seller for each component by using the calculations and definitions stated in Exhibit A, Paragraphs A(10) A(11) and A(12). The calculations and definitions of Paragraph 4 and Exhibit A, Paragraphs A(10) A(11) and A(12), are illustrated in Exhibit C. To the extent Exhibit C conflicts with this Agreement, then the terms and conditions of this Agreement shall prevail.

RESIDUE GAS TAKEN IN KIND

- (a) During any Pricing Period in which Seller takes its Residue Gas in kind, Buyer will redeliver for Seller's account a quantity of gas (in MMBtu) equal to 90 percent of the Residue Gas Allocable to Seller at a Redelivery Point designated by Seller, provided that Seller must comply with the residue pipelines' nomination requirements. The Redelivery Point will be the interconnection of Buyer's tailgate facilities with the pipeline facilities of PG&E Transmission Company/Texas Utility Fuel Company or Lone Star Gas Company at the tailgate of Buyer's plant(s) in Sterling County, Texas, unless Buyer has shut down its plants in Sterling County and Seller's gas is being processed at another plant. If gas is being processed in a plant outside of Sterling County, the Redelivery Point will be the interconnection of the tailgate facilities of said plant with the residue pipelines available at said plant. Seller's Redelivered gas shall be of merchantable quality without requiring additional treatment.
- (b) During any Month that Seller takes Residue Gas in kind, then the parties shall cooperate to the extent operationally practical to eliminate any imbalance(s) between the quantity of Residue Gas that Seller is entitled to receive and the quantity actually delivered for Seller's account at the Redelivery Point by subsequent adjustments in gas nominations, confirmations and/or physical receipts and deliveries. Any imbalances remaining at the end of each Month shall be eliminated by cash payment for the entire amount of the imbalance as follows:
- (i) If Seller has received more Residue Gas at the Redelivery Point than due to Seller and such imbalance is not solely the fault of Buyer:
- (A) Seller shall pay Buyer the Average Daily Index Price for that portion of the imbalance which does not exceed 5% of the quantity due Seller; and
- (B) Seller shall pay Buyer 105% of the Average Daily Index Price for that portion of the imbalance, if any, which exceeds 5% of the quantity due Seller, but is not in excess of 10% of such quantity; and
- (C) Seller shall pay Buyer 110% of the Average Daily Index Price for that portion of the imbalance, if any, which exceeds 10% of the quantity due Seller, but is not in excess of 20% of such quantity, and
- (D) Seller shall pay Buyer 120% of the Average Daily Index Price for that portion of the imbalance, if any, which exceeds 20% of the quantity due Seller.
- (ii) If Seller has received less Residue Gas at the Redelivery Point than due to Seller and such imbalance is not solely the fault of Buyer:

- (A) Buyer shall pay Seller the Average Daily Index Price for that portion of the imbalance which does not exceed 5% of the quantity due to Seller; and
- (B) Buyer shall pay Seller 95% of the Average Daily Index Price for that portion of the imbalance, if any, which exceeds 5% of the quantity due Seller, but is not in excess of 10% of such quantity; and
- (C) Buyer shall pay Seller 90% of the Average Daily Index Price for that portion of the imbalance, if any, which exceeds 10% of the quantity due to Seller, but is not in excess of 20% of such quantity, and
- (D) Buyer shall pay Seller 80% of the Average Daily Index Price for that portion of the imbalance, if any, which exceeds 20% of the quantity due to Seller
- (iii) For purposes of this Paragraph 4.6(b), the term "Average Daily Index Price" shall mean the simple average of each day's price for such Month as found in the Financial Times Energy publication "Gas Daily," in the section entitled "Daily Price Survey," for WAHA under the heading "Texas Intrastate, WAHA area" under the column marked "Midpoint".

REDETERMINATION OF REFERENCE PRICE

In the event any of the published prices referenced in this Section 4 are discontinued or materially modified, its successor shall be used, or in the absence of a successor, Buyer and Seller shall mutually agree to another published price reference that represents gas or NGL spot prices closely comparable to that previously used. If a published price is discontinued or materially modified, Buyer will inform Seller by written notice. If the parties cannot agree on a satisfactory replacement reference price within two Months after a reference price ceases to be published, then either party may initiate arbitration by written notice to the other calling for the appointment of an arbitrator to whom each party will nominate its preferred replacement reference price. If the parties cannot agree on a single arbitrator within 20 days after such initial notice, each party shall select its own arbitrator, and these two arbitrators shall select a third arbitrator. The arbitrator(s) selected to act shall have expertise in the natural gas industry, including the marketing and pricing of natural gas and gas products, and shall be fair and impartial and have no financial interest in the outcome of the matter to be decided. The arbitrator(s) shall select from the two reference price nominated by the parties the one which best reflects a fair market price for daily or monthly commitments of natural gas or NGL's (as applicable) where the Plant(s) are located. The price reference selected by the arbitrator(s) shall be effective retroactively to the first Month that the lapsed reference price ceased to be published. Seller and Buyer will share equally in any and all costs associated with said arbitration.

TERM.

This Contract shall remain in effect for a primary term expiring January 31, 2019, and shall continue in effect from year-to-year thereafter until canceled by either party as of the end of the primary term or thereafter by giving the other party ninety (90) days advance written notice.

ADDRESSES AND NOTICES.

Either party may give notices to the other party or parties by first class mail postage prepaid, by overnight delivery service, or by facsimile at the following addresses or other addresses furnished by a party by written notice. Unless Seller objects in writing, Buyer may also use Seller's current address for payments.

NOTICES TO SELLER

- -----
 General, Payments Operational
 - -----

Range Production I, L.P.
 Attn: Gas Marketing
 P.O. Box 54320
 Oklahoma City, OK 73154-4320
 (405) 947-2545 (Voice)
 (405) 947-3083 (Fax)

Range Production I, L.P.
 Attn: Engineering
 500 Throckmorton St., Suite 1900
 Fort Worth, TX 76102
 (817) 870-2601 (Voice)
 (817) 870-2316 (Fax)

NOTICES TO BUYER

- - - - -

General, Ownership Changes

- - - - -

Accounting

- - - - -

Operational

- - - - -

Conoco Inc.
Attn: Gas Supply
P. O. Box 2197

281-293-1639 (Voice)
281-293-1720 (Fax)

Conoco Inc.
Attn: Gas Plant Accounting
P. O. Box 1267

580-767-4631 (Voice)
580-767-3705 (Fax)

Conoco Inc.
San Angelo BU
P. O. Box 2197
Houston, TX 77252
281-293-1639 (Voice)
281-293-1720 (Fax)

UNPROFITABILITY.

BUYER'S RIGHT TO CLAIM UNPROFITABILITY

If the purchase of gas from any Point(s) of Delivery under this Contract becomes Unprofitable (as defined under paragraph A.17 Exhibit "A" attached hereto) , Buyer shall not be obligated to purchase such gas as long as such condition exists. Buyer may invoke this provision by written notice of Unprofitability, which shall include the economic terms under which Buyer could continue purchasing Seller's gas. Seller must provide written notice to Buyer within 25 days of receiving said notice, whether it is electing to accept or reject Buyer's revised terms of purchase. If such terms are accepted by Seller, Buyer will continue purchasing Seller's gas under the revised terms effective the Month beginning 30 days after Buyer's original notice of unprofitability. Such revised economic terms shall remain in effect until the purchase of Seller's gas would have been profitable for Buyer under the original economic terms for two consecutive Months, at which time the original economic terms shall become effective. If the revised purchase terms are not acceptable to Seller, upon Seller's notice to Buyer, Buyer will provide transportation services to Seller as set out in Paragraph 7.2 below. For as long as such transportation only arrangements are in effect, Seller will have the right to terminate the Contract effective 90 days from Buyer's receipt of written notice from Seller, unless Buyer within 30 days receipt of Seller's termination notice, agree to restore the original economic terms of the Contract. Such restoration of the Contract will be effective the Month following 30 days receipt of Buyer's notice.

BUYER'S TRANSPORTATION SERVICES

Upon request by Seller pursuant to Paragraph 7.1 above, and if operationally feasible, Buyer will transport and redeliver to the Redelivery Point(s) selected by Seller from those identified in Paragraph 4.6 (a) an Equivalent Quantity to that received from Buyer at the Point(s) of Delivery for a transportation fee of \$0.20 per MMBTU received at the affected Point(s) of Delivery. For any Point of Delivery not requiring compression, "Equivalent Quantity" shall mean a quantity of gas equal in MMBTU to that received at the Point of Delivery. For low pressure Points of Delivery requiring compression, "Equivalent Quantity" shall mean a quantity of gas equal in MMBTU's to that received at the Point of Delivery less 6 percent for field fuel and line loss. Seller's Redelivered gas shall be of merchantable quality without requiring additional treatment.

The herein stated transportation fee shall escalate according to the terms set out in 4.4 (b). Additionally, imbalances occurring during any period that Buyer is providing transportation services hereunder will be resolved pursuant to the provisions of Paragraph 4.6 (b).

If Seller elects to utilize the transportation services as described herein, Buyer will have the right to terminate this Contract, including all transportation services at any time after six Months from the date of Buyer's original Unprofitability notice upon 30 days written notice to Seller.

IN WITNESS WHEREOF, the parties have hereto set their hands in person or by their duly authorized officials as of the date set forth above.

SELLER:

BUYER:

RANGE PRODUCTION I, L.P.
BY: RANGE PRODUCTION COMPANY,
A DELAWARE CORPORATION,
ITS GENERAL PARTNER

CONOCO INC.

By: /s/ Chad L. Stephens

By: /s/ Mary Ann Pearce

Name: Chad L. Stephens

Name: Mary Ann Pearce

Title: Sr. Vice-President

Title: Manager G & GP

Executed on: June 16, 2000

Executed on: June 15, 2000

EXHIBIT INDEX

Exhibit	Description of Exhibit
A	General Terms and Conditions
	a. Definitions
	b. Delivery Date
	c. Reservations of Seller
	d. Metering
	e. Determination of Gas Composition
	f. Quality of Gas
	g. Billing and Payment
	h. Force Majeure
	i. Title, Ownership
	j. Royalty
	k. Severance and Similar Taxes
	l. Laws and Regulations
	m. Right of Way and Ingress, Egress
	n. Assignment
	o. Miscellaneous Provisions
B	Area of Dedication of Interest
C	Index Based Percent of Proceeds Proforma Settlement Calculations

Range will make the exhibits to the Gas Purchase Contract, between Range Production I, L.P. and Conoco, Inc., available upon request.

SECOND AMENDMENT TO CREDIT AGREEMENT

This Second Amendment to Credit Agreement (this "Amendment") is entered into effective June 23, 2000 (the "Effective Date"), by and among RANGE RESOURCES CORPORATION, a Delaware corporation ("Borrower"), BANK ONE, TEXAS, N.A., as Administrative Agent ("Bank One" or "Administrative Agent"), CHASE BANK OF TEXAS, N.A., as Syndication Agent ("Chase"), BANK OF AMERICA, N.A., as Documentation Agent ("Bank of America"), and Lenders (as defined in the Credit Agreement).

RECITALS:

- A. Borrower and Lenders entered into a Credit Agreement dated September 30, 1999, and a First Amendment to Credit Agreement dated January 20, 2000 (the "First Amendment") (the Credit Agreement, the First Amendment, and all other amendments thereto, including this Amendment, will be referred to collectively as the "Credit Agreement").
- B. Borrower completed the sale of the Sterling Gas Plant on June 16, 2000, and applied the Net Cash Proceeds from the sale to reduce the Outstanding Obligations to \$121,000,000.
- C. The conditions precedent to Lenders' consent to Borrower's issuance of Subordinate Notes, as described in the First Amendment, were not satisfied, and Borrower no longer has immediate plans to issue Subordinate Notes.
- D. Lenders have redetermined the Borrowing Base in accordance with Section 4.02 of the Credit Agreement, effective as of the Effective Date.
- E. Wells Fargo Bank (Texas), N.A. became Wells Fargo Bank Texas, National Association subsequent to its consolidation with Norwest Bank El Paso, National Association, resulting in Wells Fargo Bank Texas, National Association, being a Lender under the Credit Agreement.
- F. Borrower and Lenders desire to amend the Credit Agreement as hereinafter set forth in order to, among other things, evidence Lenders' consent to the redetermined Borrowing Base; confirm that Borrower no longer plans to issue the Subordinate Notes anticipated by the First Amendment; and acknowledge Wells Fargo Bank Texas, National Association as a Lender.

AGREEMENT:

In consideration of the premises, the representations, warranties, covenants, and agreements contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower and Lenders agree as follows, effective only upon satisfaction of each condition precedent set forth in Section 4.1 below:

ARTICLE 1 - DEFINITIONS.

- 1.1 Credit Agreement Definitions. Capitalized terms used but not defined in this Amendment have the meanings given such terms in the Credit Agreement.

ARTICLE 2 - AMENDMENTS.

- 2.1 Amendments to Article 1 - Definitions. The definitions of Borrower's Oil and Gas Properties, Consolidated Interest Expense, Consolidated Net Income, Consolidated Tangible Net Worth,

EBITDA, Initial Borrowing Base, REFC, Security Documents, Senior Debt and Total Debt in Section 1.01 of the Credit Agreement are hereby amended in their entirety to read as follows:

"Borrower's Oil and Gas Properties" means all oil and gas properties, pipelines, gathering systems, gas processing plants, and other similar assets owned by Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC), including related personal property and other fixed assets and all related easements, servitudes, and similar real property interests owned by Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC).

"Consolidated Interest Expense" means with respect to Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC), on a consolidated basis for any period, the sum of (a) gross interest expense (including all cash and accrued interest expense) of Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC) for that period on a consolidated basis, including (i) the amortization of debt discounts, (ii) the amortization of all fees payable in connection with the occurrence of Debt to the extent included in interest expense, and (iii) the portion of any payments or accruals with respect to Capital Leases allocable to interest expense and (b) capitalized interest of Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC) on a consolidated basis.

"Consolidated Net Income" means for any period, net income of Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC) determined on a consolidated basis in accordance with GAAP.

"Consolidated Tangible Net Worth" means, as of any date, the consolidated shareholder's equity of Borrower and its Consolidated Subsidiaries (including GLEP and REFC) which would be reflected on a consolidated balance sheet for Borrower and its Consolidated Subsidiaries (including GLEP and REFC) prepared as of such date in accordance with GAAP less the consolidated Intangible Assets of Borrower and its Consolidated Subsidiaries (including GLEP and REFC) as of such date. For purposes of this definition, "Intangible Assets" means the amount (to the extent reflected in determining such consolidated shareholder's equity) of all unamortized debt discount and expense, unamortized deferred charges, goodwill, patents, trademarks, service marks, trade names, copyrights, organization expenses, and other intangible items.

"EBITDA" means, for any period, Consolidated Net Income for that period, plus, without duplication and to the extent deducted from revenues in determining Consolidated Net Income for that period, (a) the aggregate amount of Consolidated Interest Expense for that period, (b) the aggregate amount of letter of credit fees paid during that period, (c) the aggregate amount of income tax expense for that period, (d) all amounts attributable to depreciation, depletion and amortization for that period, (e) all non-cash, extraordinary expenses during that period including non-cash impairments of long-lived assets as prescribed under Financial Accounting Standards Board Statements Nos. 19 and 121, and (f) all losses resulting from the sale of assets during that period, and minus, without duplication and to the extent added to revenues in determining Consolidated Net Income for that period, (i) all non-cash, extraordinary income during that period and (ii) all gains resulting from the sale of assets during that period, in each case determined in accordance with GAAP.

"Initial Borrowing Base" means a Borrowing Base in the amount of \$125,000,000.

"REFC" means Range Energy Finance Corporation, a Delaware corporation that is sometimes referred to by Borrower as 'Independent Producer Finance' or 'IPF'.

"Security Documents" means the collective reference to the Guaranty Agreement(s), the Pledge Agreement(s), the Mortgages, and all other security documents hereafter delivered to Administrative Agent granting a Lien on any asset or assets of any Person to secure the Obligations and liabilities of Borrower hereunder and under any of the other Loan Documents or to secure any guarantee of any of the obligations and liabilities.

"Senior Debt" means, at any time outstanding, all Debt of Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC) except Subordinated Debt.

"Total Debt" means, at anytime outstanding, all Debt of Borrower and its Consolidated Subsidiaries (excluding GLEP and REFC).

2.2 Amendments to Article 4 - Borrowing Base. (a) Section 4.02 of the Credit Agreement is hereby amended in its entirety to read as follows:

"4.02. Periodic Determination. The Borrowing Base will be redetermined semiannually on April 1 and October 1, commencing October 1, 2000, or on such date promptly following each such date as may be required to redetermine the Borrowing Base in accordance with the procedures set forth in Section 4.01(b). Notwithstanding any provisions to the contrary in Section 4.01 above, without the approval of all Lenders, the Borrowing Base resulting from the Periodic Determination scheduled for October 1, 2000, shall not exceed \$115,000,000."

(b) Section 4.05 of the Credit Agreement is hereby amended in its entirety to read as follows:

"4.05. Initial Borrowing Base. Subject to the rights of Borrower to request an earlier Special Determination pursuant to Section 4.03 above, the rights of Lenders to request an earlier Special Determination pursuant to Section 4.04 above, and the rights of Lenders to reduce the Borrowing Base as provided in Section 7.03(c) below, the Borrowing Base in effect under this Agreement shall be the Initial Borrowing Base commencing June 19, 2000, and continuing until the next Periodic Determination."

2.3 Amendment to Article 5 - Collateral. Section 5.01(a) of the Credit Agreement is hereby amended in its entirety to read as follows:

"(a) The Obligations shall be secured by first and prior Liens (subject only to Permitted Encumbrances) covering (i) Borrower's Oil and Gas Properties selected by Administrative Agent which in the aggregate comprise at least 80% of the total Present Value assigned by Administrative Agent to Borrower's Oil and Gas Properties, (ii) 100% of the issued and outstanding Equity of each existing and future Subsidiary of Borrower (exclusive of REFC), and (iii) Borrower's interest in GLEP."

2.3 Amendments to Article 7 - Representations, Warranties, and Covenants. (a) Amendments to Affirmative Covenants. (1) Subparagraphs (1) and (2) of Section 7.02(c) of the Credit Agreement are hereby amended in their entirety to read as follows:

"(c) Financial Information. Furnish to Lenders:

- (1) Within 90 days after the end of Borrower's fiscal year (which ends on December 31), a copy of its annual audited consolidated financial statement including at least a balance sheet as of the close of the year, a statement of operations, a statement of changes in shareholders' equity, and a statement of cash flow, prepared in conformity with GAAP by Arthur Andersen L.L.P. or another independent firm of certified public accountants acceptable to Lenders, together with a certificate from an Authorized Officer of Borrower that no Default or Event of Default has occurred or exists;
- (2) Within 45 days after the end of each calendar quarter, a copy of Borrower's unaudited consolidating quarterly financial statement, prepared in conformity with GAAP, consisting of at least a balance sheet as of the close of that quarter, a statement of operations, a statement of changes in shareholders' equity, and a statement of cash flows for the

period from the beginning of the fiscal year to the close of that quarter, certified to be accurate by an Authorized Officer of Borrower, and accompanied by a certificate of the signing officer that no Default or Event of Default has occurred or exists;"

(b) Amendments to Negative Covenants. (1) Section 7.03(g) of the Credit Agreement is hereby amended in its entirety to read as follows (with the text of Section 7.03 not quoted herein, Section 7.03(g) as amended below will read that "Borrower shall not, and shall not permit any Subsidiary to, directly or indirectly" take the action identified):

"(g) Restricted Payments. Make any Restricted Payment; provided that so long as no Default or Event of Default exists and no Default or Event of Default will result from the Restricted Payment, Restricted Payments not otherwise prohibited by this Agreement may be made in an aggregate amount (measured cumulatively from June 30, 1999) not to exceed the sum of (i) \$10,000,000, plus (ii) 50% of the Net Cash Proceeds to Borrower from all common equity offerings completed by Borrower after September 30, 1999, plus (ii) 50% of Borrower's Consolidated Net Income earned after June 30, 1999 (for purposes of this Section 7.03(g) only, Consolidated Net Income shall exclude non-cash impairments of long-lived assets as prescribed under Financial Accounting Standards Board Statements Nos. 19 and 121); and provided further that, notwithstanding the foregoing, Borrower shall not pay dividends with respect to its common Equity."

(2) Section 7.03 of the Credit Agreement is hereby amended to add the following paragraph (q) (with the text of Section 7.03 not quoted herein, Section 7.03(q) as added below will read that "Borrower shall not, and shall not permit any Subsidiary to, directly or indirectly" take the action identified):

"(q) Restrictions on Dividends and Interest Payments. Pay dividends with respect to its common Equity or its Preferred Stock or pay interest with respect to its 5 3/4% convertible junior subordinated debentures issued in October 1997; provided that, Borrower may pay dividends with respect to its \$2.03 convertible exchangeable Preferred Stock issued in November 1995 or pay interest with respect to its 5 3/4% convertible junior subordinated debentures issued in October 1997 as long as the dividend or interest payments do not cause a breach of the Total Debt Interest Coverage Ratio set out in Section 7.04(c) of this Agreement (for purposes of calculating the Total Debt Interest Coverage Ratio for this Section 7.03(q), the denominator in the ratio, which is the Consolidated Interest Expense on Total Debt, shall include all dividends paid by Borrower with respect to its Preferred Stock)."

(c) Amendments to Financial Covenants. Section 7.04 of the Credit Agreement is hereby amended in its entirety to read as follows:

"7.04. Financial Covenants. So long as this Agreement remains in force, Borrower and its Consolidated Subsidiaries (which shall include GLEP and REFC with respect to Section 7.04(a) but shall exclude GLEP and REFC with respect to Sections 7.04(b) through (f)) shall maintain, on a consolidated basis, the following (all calculated in accordance with GAAP as of the end of Borrower's most recent fiscal quarter):

(a) Consolidated Tangible Net Worth. A minimum Consolidated Tangible Net Worth as of any date which is not less than the sum of (i) \$175,000,000, plus (ii) 50% of the net proceeds to Borrower from the

issuance of Equity securities on or after September 30, 1999 (for purposes of this Section 7.04(a) only, Consolidated Tangible Net Worth shall exclude non-cash impairments of long-lived assets as prescribed under Financial Accounting Standards Board Statements Nos. 19 and 121);

(b) Senior Debt Interest Coverage Ratio. A ratio (calculated as set out below) of EBITDA to Consolidated Interest Expense on Senior Debt of at least 3.0 to 1.0;

(c) Total Debt Interest Coverage Ratio. A ratio (calculated as set out below) of EBITDA to Consolidated Interest Expense on Total Debt of at least 2.5 to 1.0;

(d) Senior Debt Leverage Ratio. A ratio (calculated as set out below) of Senior Debt to EBITDA not in excess of 3.0 to 1.0;

(e) Total Debt Leverage Ratio. A ratio (calculated as set out below) of Total Debt to EBITDA not in excess of 5.0 to 1.0; and

(f) Current Ratio. A ratio of current assets to current liabilities on any date of at least 1.0 to 1.0 (for purposes of this calculation, current assets will include an amount equal to the Unused Availability and current liabilities will exclude current maturities of long term Debt of Borrower to Lenders under this Agreement).

For Borrower's fiscal quarters ending June 30, 2000, September 30, 2000, and December 31, 2000, the ratios in Sections 7.04(b), (c), (d), and (e) above will be calculated on an annualized basis (with the fiscal year commencing January 1, 2000, and ending December 31, 2000). After December 31, 2000, the ratios will be calculated for Borrower's most recent rolling twelve month period ending at the end of each quarter."

2.5 Wells Fargo Consolidation. The Credit Agreement is hereby amended to change Wells Fargo Bank (Texas), N.A. wherever it appears to Wells Fargo Bank Texas, National Association.

2.6 Schedules and Exhibits. The Credit Agreement is hereby amended to replace Schedules 1 and 2 to the Credit Agreement with Schedules 1 and 2 attached to this Amendment. Schedule 3 is attached for information purposes only.

ARTICLE 3 - CONSENTS.

3.1 Lapse of Consent for Additional Notes Offering. The conditions precedent to Lenders' consent to the issuance of additional Subordinate Notes by Borrower, which are outlined in the First Amendment, were not met, and Borrower is no longer authorized to issue Subordinate Notes as contemplated by the First Amendment.

ARTICLE 4 - CONDITIONS PRECEDENT.

4.1 Conditions Precedent. The effectiveness of this Amendment is subject to the satisfaction of the following conditions precedent, unless specifically waived in writing by Administrative Agent:

(a) Closing Deliveries. Administrative Agent shall have received this Amendment, properly executed by all required parties.

(b) No Material Adverse Effect. No event or condition shall have occurred which is reasonably expected to have a Material Adverse Effect.

(c) No Legal Prohibition. The transactions contemplated by this Amendment shall be permitted by applicable law and regulation and shall not subject Agents, any Lender, Borrower, or any Subsidiary to any material adverse change in their assets, liabilities, financial condition, or prospects.

(d) No Litigation. No litigation, arbitration, or similar proceeding shall be pending or threatened against Borrower or any Subsidiary which calls into question the validity or enforceability of the Credit Agreement (as amended hereby) or the other Loan Documents.

(e) No Default. No Default or Event of Default shall have occurred and be continuing.

(f) Other Matters. All matters related to this Amendment, the other Loan Documents, and Borrower and its Subsidiaries shall be acceptable to Administrative Agent and each Lender in their discretion, and Borrower shall have delivered to Administrative Agent and each Lender such evidence as they shall request to substantiate any matters related to the Credit Agreement (as amended hereby), the other Loan Documents and Borrower and its Subsidiaries as Administrative Agent or any Lender shall request.

ARTICLE 5 - RATIFICATIONS, REPRESENTATIONS, AND COVENANTS.

5.1 Ratifications. The terms and provisions set forth in this Amendment shall modify and supersede all inconsistent terms and provisions set forth in the Credit Agreement and the other Loan Documents, and, except as expressly modified and superseded by this Amendment, the terms and provisions of the Credit Agreement and the other Loan Documents are ratified and confirmed and shall continue in full force and effect. Borrower and Lenders agree that the Credit Agreement and the other Loan Documents, as amended hereby, shall continue to be legal, valid, binding, and enforceable in accordance with their respective terms.

5.2 Representations and Covenants. Borrower hereby represents and warrants to Lenders that (a) the execution, delivery, and performance of this Amendment and any and all other Loan Documents executed or delivered in connection herewith have been authorized by all requisite corporate action on the part of Borrower and will not violate the Articles of Incorporation or Bylaws of Borrower; (b) the representations and warranties contained in the Credit Agreement, as amended hereby, and any other Loan Documents are true and correct on and as of the date hereof, as though made on and as of such date; (c) no Default or Event of Default under the Credit Agreement, as amended hereby, has occurred and is continuing; and (d) Borrower is in full compliance with all covenants and agreements contained in the Credit Agreement and the other Loan Documents, as amended hereby.

ARTICLE 6 - MISCELLANEOUS PROVISIONS.

6.1 No Waiver. Except as specifically provided in this Amendment, nothing contained in this Amendment shall be construed as a waiver by Lenders of any covenant or provision of the Credit Agreement, the other Loan Documents, this Amendment, or of any other contract or instrument between Borrower and Lenders, and the failure of Lenders at any time or times hereafter to require strict performance by Borrower of any provision thereof shall not waive, affect, or diminish any right of Lenders to thereafter demand strict compliance therewith. Lenders hereby reserve all rights granted under the Credit Agreement, the other Loan Documents, this Amendment, and any other contract or instrument between Borrower and Lenders.

6.2 Survival of Representations and Warranties. All representations and warranties made in the Credit Agreement or any other Loan Documents, including, without limitation, any document furnished in connection with this Amendment, shall survive the execution and delivery of this Amendment and the other Loan Documents, and no investigation by Agents or any Lender shall affect the representations and warranties or the right of Agents or any Lender to rely upon them.

6.3 Reference to Credit Agreement. Each of the Credit Agreement and the other Loan Documents, and any and all other agreements, documents, or instruments now or hereafter executed and delivered pursuant to the terms hereof or pursuant to the terms of the Credit Agreement, as amended hereby, are hereby amended so that any reference in the Credit Agreement and such other Loan Documents to the Credit Agreement shall mean a reference to the Credit Agreement as amended hereby.

6.4 Expenses of Agent. As provided in the Credit Agreement, Borrower agrees to pay on demand all reasonable costs and expenses incurred by Administrative Agent in connection with the preparation, negotiation, and execution of this Amendment and the other Loan Documents executed pursuant hereto and any and all amendments, modifications, and supplements thereto, including, without limitation, the costs and fees of Administrative Agent's legal counsel, and all reasonable costs and expenses incurred by Lenders in connection with the enforcements or preservation of any rights under the Credit Agreement, as amended hereby, or any other Loan Documents, including, without limitation, the reasonable costs and fees of Administrative Agent's legal counsel.

6.5 Severability. Any provisions of this Amendment held by a court of competent jurisdiction to be invalid or unenforceable shall not impair or invalidate the remainder of this Amendment and the effect thereof shall be confined to the provisions so held to be invalid or unenforceable.

6.6 Successors and Assigns. This Amendment is binding upon and shall inure to the benefit of Lenders and Borrower and their respective successors and assigns, except that Borrower may not assign or transfer any of its rights or obligations hereunder without the prior written consent of Lenders.

6.7 Counterparts. This Amendment may be executed in one or more counterparts, each of which when so executed shall be deemed to be an original, but all of which when taken together shall constitute one and the same instrument.

6.8 Effect of Waiver. No consent or waiver, express or implied, by Administrative Agent or any Lender to or for any breach of or deviation from any covenant or condition by Borrower shall be deemed a consent to or waiver of any other breach of the same or any other covenant, condition, or duty.

6.9 Headings. The headings, captions, and arrangements used in this Amendment are for convenience only and shall not affect the interpretation of this Amendment.

6.10 Applicable Law. THIS AMENDMENT AND ALL OTHER LOAN DOCUMENTS EXECUTED PURSUANT HERETO SHALL BE DEEMED TO HAVE BEEN MADE AND TO BE PERFORMABLE IN AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS UNLESS THE LAWS GOVERNING NATIONAL BANKS SHALL HAVE APPLICATION.

6.11 Final Agreement. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, EACH AS AMENDED HEREBY, REPRESENT THE ENTIRE AGREEMENT OF THE PARTIES WITH RESPECT TO THE SUBJECT MATTER HEREOF ON THE DATE THIS AMENDMENT IS EXECUTED. THE CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS, AS AMENDED HEREBY, MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN AGREEMENTS BETWEEN THE PARTIES. NO MODIFICATION, RESCISSION, WAIVER, RELEASE, OR AMENDMENT OF ANY PROVISION OF THIS AMENDMENT SHALL BE MADE EXCEPT BY A WRITTEN AGREEMENT SIGNED BY BORROWER AND LENDERS.

Executed as of the Effective Date.

BORROWER:

RANGE RESOURCES CORPORATION

By: /s/ Eddie M. LeBlanc

Eddie LeBlanc, Senior Vice President
and Chief Financial Officer

AGENTS:

BANK ONE, TEXAS, N.A.,
as Administrative Agent and a Lender

By: /s/ W. Mark Cranmer

W. Mark Cranmer, Vice President

CHASE BANK OF TEXAS, N.A.,
as Syndication Agent and a Lender

By: /s/ Robert C. Mertensotto

Robert C. Mertensotto, Managing
Director

BANK OF AMERICA, N.A.,
as Documentation Agent and a Lender

By: /s/ J. Scott Fowler

J. Scott Fowler, Managing Director

BANKERS TRUST COMPANY

By: /s/ Marcus M. Tarkington

Marcus M. Tarkington, Director

OTHER LENDERS:

PNC BANK, NATIONAL ASSOCIATION

By: /s/ Robert J. Tiskus

Robert J. Tiskus, AVP

FLEET NATIONAL BANK,
formerly known as BankBoston, N.A.

By: /s/ Stephen J. Hoffman

Stephen J. Hoffman, Vice President

CIBC INC.

By: /s/ M. Beth Miller

M. Beth Miller, Authorized Signature

WELLS FARGO BANK TEXAS,
NATIONAL ASSOCIATION, successor by
consolidation to Wells Fargo Bank (Texas), N.A.

By: /s/ Roger Fruendt

Roger Fruendt, Vice President

CREDIT LYONNAIS NEW YORK BRANCH

By: /s/ Philippe Soustra

Philippe Soustra, Senior Vice President

ABN AMRO BANK N.V.

By: /s/ Jamie A. Conn

Jamie A. Conn, Vice President

By: /s/ Matt McCain

Matt McCain, Assistant Vice President

BANK OF SCOTLAND

By: /s/ Annie Glynn

Annie Glynn, Senior Vice President

THE SANWA BANK, LIMITED

By: /s/ Clyde Redford

Clyde Redford, Vice President

Schedules

- -----

- Schedule 1 - Commitments
- Schedule 2 - Addresses for Notices
- Schedule 3 - List of Subsidiaries

APPLICATION SERVICE PROVIDER AND OUTSOURCING AGREEMENT

This Application Service Provider and Outsourcing Agreement (the "Agreement") is made and entered into as of June 1, 2000 (the "Effective Date") by and between Applied Terravision Systems Inc., a Texas corporation ("ATS") and Range Resources Corporation, a Delaware corporation ("Range").

RECITALS

WHEREAS, ATS and Range executed that certain Letter of Intent (the "Letter of Intent") dated April 27, 2000 whereby both parties agreed to negotiate in good faith a mutually acceptable Application Service Provider and Outsourcing Agreement;

WHEREAS, the Letter of Intent and the related Professional Services Agreement (the "Services Agreement") between ATS and Range dated May 10, 2000, provide for an interim period (the "Interim Period") until the execution of this Agreement whereby all information necessary for ATS to provide the services described herein was to be collected and organized into a form usable by ATS and subsequently verified by Range;

WHEREAS, all prior and continuing obligations required by the Letter of Intent and the Services Agreement during the Interim Period have been met or are continuing to be met and both parties are able to perform their obligations hereunder and enter into this Agreement;

NOW, THEREFORE, in consideration for the mutual promises contained herein, ATS and Range agree as follows:

ARTICLE 1. DEFINITIONS.

As used herein, the following terms shall have the meanings set forth below:

- | | | |
|-----|---------------|---|
| 1.1 | Affiliate. | The term "Affiliate" means a corporation, subsidiary or other entity of which Range Resources owns 50% or more of the outstanding ownership interests of such entity, but specifically excluding Great Lakes Energy Partners, L.L.C. |
| 1.2 | ASP Services. | The term "ASP Services" includes services provided by ATS as an Application Service Provider as listed on Exhibit B. |
| 1.3 | ATS Software. | The term "ATS Software" includes the Existing ATS Software, the Developed ATS Software and any other software that is proprietary to ATS and provided to Range under this Agreement more particularly described in Exhibit B.III.A., including any upgraded or replacement software used to provide the ASP |

Services.

- 1.4 Closing Schedule. The term "Closing Schedule" means the monthly closing schedule delivered by Range to ATS listing the due dates for all Reports due for each month. ATS and Range must mutually and reasonably agree on the Closing Schedule for each month.
- 1.5 Confidential Information. The term "Confidential Information" means, without limitation, reports, fee structures, procedures, records, and other information pertaining to Range or ATS, as applicable, all Hardware and Software licensed or otherwise provided by one party to the other, as applicable, with notice of its confidential nature or restrictions as to its use, the existence of this Agreement or any of the terms, conditions or other facts relating to this Agreement.
- 1.6 Default. The term "Default" includes any material breach of this Agreement by either party or if the other party terminates or suspends its business, becomes subject to any bankruptcy or insolvency proceeding under Federal or state statute, becomes insolvent or subject to direct control by a trustee, receiver, or similar authority, or has wound up or liquidated, voluntarily or otherwise.
- 1.7 Hardware. The term "Hardware" means any and all computers, disk drives, tape drives, terminals, printers and other computer hardware and related equipment owned by ATS for use on the Range project.
- 1.8 Outsourcing Services. The term "Outsourcing Services" includes those data processing services provided by ATS as listed on Exhibit B.
- 1.9 Processing Cycle. The term "Processing Cycle" means the time period from the first working day of the month to the date that final report for that month is delivered.
- 1.10 Properties. The term "Properties" includes those wells and properties listed on Schedule A furnished to ATS by Range and any additional wells or properties now owned or hereafter acquired in whole or in part by Range or any affiliate of Range which Range requests to be covered by this Agreement and ATS approves

pursuant to Section 3.5

- 1.11 Property Count. The term "Property Count" means the number of properties based upon the number of property accounting units. A property accounting unit is the lowest level of cost accumulation and accounting for a given well or group of wells. For example, a single lease on which multiple wells are located which are treated as a single property for accounting purposes shall be considered a single property. Conversely, a single well with multiple zones which are treated as multiple properties for accounting purposes shall be considered multiple properties.
- 1.12 Software. The term "Software" means all computer programs and user manuals, including ATS Software and Third Party Software, supplied, or made available by ATS to Range in accordance with this Agreement. The term "Software" includes any corrections, bug fixes, enhancements, updates or other modifications, including custom modifications, to such computer program and user manuals.
- 1.13 Supplemental Services. The term "Supplemental Services" means those additional and separately billable services which are beyond the scope of the ASP Services and Outsourcing Services as listed in Exhibit B.
- 1.14 Third Party Charges. The term "Third Party Charges" means, but is not limited to, those charges such as telephone lines, Internet access PC networks, dedicated service lines, postage, checks, supplies, overnight delivery charges, travel costs by ATS personnel and any other services provided by third parties not outlined in Exhibit B.
- 1.15 Third Party Software. The term "Third Party Software" means third party software supplied by ATS to Range or made available by ATS for use by Range in accordance with this Agreement, such as Lotus Notes, Imaging and Client Access.

ARTICLE 2. SERVICES AND RESPONSIBILITIES

2.1 Basic Services. In consideration of the full payment of the amounts due under this Agreement, ATS will provide the Outsourcing Services (as defined in Section 1.8) and the ASP Services (as defined in Section 1.2), (together, with Outsourcing Services, the "Basic

Services") listed on Exhibit B related to the Properties (as defined in Section 1.10) during each Processing Cycle (as defined in Section 1.9). These Basic Services are the basis for the payment terms set forth in Article 3 hereof. This Agreement specifically excludes any responsibility for providing any service other than the Basic Services specifically set forth in Exhibit B and the development of PPS (as hereinafter defined) as provided for in Section 6.2.

2.2 Supplemental Services. With the prior written approval of Range, ATS may provide Supplemental Services (as defined in Section 1.13 and, collectively, with Basic Services, "Services"), subject to expertise and availability of ATS personnel, at the additional costs listed on Exhibit C. Any Supplemental Services shall be provided in accordance with all terms and conditions of this Agreement and shall be pursuant to a completed Professional Services Agreement, the form of which has been attached hereto as Exhibit C. Any travel time by ATS personnel associated with the performance of Supplemental Services shall be billed at 50% of the applicable rate.

2.3 Responsibilities of Range. Range shall continue to have sole responsibility for (i) providing to ATS all documents or data in a mutually agreed format for processing, (ii) verifying the accuracy of all information provided to ATS, (iii) making all decisions or determinations with respect to any matter regarding the Properties requiring any exercise of discretion or business judgment, (iv) paying any state and Federal sales and/or use taxes, and (v) maintaining all equipment and infrastructure necessary for the performance of the obligations of Range under this Agreement.

2.4 Hours of Operation. ATS business hours are from 8:00 a.m. to 5:00 p.m. Monday through Friday, excluding holidays. ATS personnel will be available for customer service at a specified help line during these hours and by pager after business hours. Subject to delay or failure by either party because of reasons beyond such parties' reasonable control, the ASP Services and the Software (as defined in Section 1.12) will be accessible 24 hours a day, 7 days a week, 365 days a year. Range business hours are from 8:30 a.m. to 5:30 p.m., excluding holidays.

ARTICLE 3. FEES.

3.1 Charges. Range will pay ATS on the first day of each Processing Cycle for the base charges (the "Base Charges") listed in Exhibit D. Range will pay ATS for any Third Party Charges (as defined in Section 1.14) and any Supplemental Services, for which charges were incurred during the current month upon receipt of invoice at the end of the month. Any amount not paid within 30 days, except for charges disputed by Range in good faith, shall bear interest at a rate of 1.5% per month, but in no event shall such percentage exceed the highest lawful rate of interest. Any amount not paid within 45 days, except for charges disputed by Range in good faith, will be considered a material breach of this Agreement by Range.

3.2 Third Party Charges. Range will either reimburse ATS or pay directly for Third Party Charges and costs, if any.

3.3 Quarterly Adjustments. The Base Charges shall be adjusted quarterly if the Property Count (as defined in Section 1.11) increases or decreases in the aggregate of 10%, on a cumulative basis, exclusive of any material acquisition or divestiture of Properties. Any material acquisitions or divestitures of Properties will automatically increase or decrease the Base Charges on either the effective or takeover date, whichever is appropriate. A material acquisition or divestiture is one in which the Property Count changes by 10% as a result of a single transaction. The adjustment in charges for the increase or decrease in number of Properties shall be based upon the charges shown in Exhibit D, provided, however, if Range believes the charges to be too high for the types of Properties added, Range shall propose a schedule of charges for the additional Properties and Range and ATS will negotiate such proposal. If the parties cannot agree as to the charges for the Properties, Range shall have the option to exclude the additional Properties from the Properties covered by this Agreement and ATS will have no responsibility for any such Properties so removed. Any Property acquired or divested by Range after the Effective Date of this Agreement will be included or excluded from the Property Count, as applicable, and the Base Charges will be adjusted accordingly.

3.4 Pricing Review. The Base Charges are subject to an annual review by ATS on each anniversary date of the Effective Date during the Term (as defined in Section 4.1 below). After such review, ATS will have the right to propose an adjustment of the Base Charges not to exceed 5% of the previous year's Base Charges, provided the need for any such increase is reasonably documented by ATS. In addition, the Base Charges are subject to adjustment at any time and in such amount as is mutually agreed by ATS and Range.

3.5 Affiliates. If requested by Range, ATS may, at its option, provide any of the Services to Affiliates (as defined in Section 1.1) of Range. Upon approval by ATS of an Affiliate, the Base Charges for each Affiliate will be negotiated in good faith by ATS and Range. Any breach of the terms of this Agreement by an Affiliate for which ATS is providing Services shall be deemed a breach by Range.

ARTICLE 4. TERM AND TERMINATION

4.1 Term. The term of this agreement will commence on the Effective Date and will end on the three year anniversary of the Effective Date (the "Term"), unless earlier terminated or extended in accordance with the provisions of this Agreement.

4.2 Renewal Period. The term of this Agreement will automatically extend for a month-to-month basis or such other mutually agreed period after the third anniversary of the Effective Date (the "Renewal Period") unless either of the parties notifies the other party of their intent not to renew in writing at least three Processing Cycles prior to such anniversary date. The Base Charges for such Renewal Period may be adjusted by ATS if ATS provides a written notice to Range which sets forth the reasons supporting such adjustment and ATS and Range agree the amount of the adjustment. "Term" shall include any Renewal Period pursuant to this Section 4.2.

4.3 Discontinuation of Outsourcing Services. ATS may terminate this Agreement at any time upon giving three Processing Cycles prior written notice to Range if ATS no longer

desires to offer Outsourcing Services. In the event this Agreement is terminated pursuant to this Section 4.3, ATS agrees to provide Range the right to continue ASP Services at a monthly price of \$600 per user per month for up to six Processing Cycles after the expiration of the three Processing Cycle notice period and at Range's option, either (i) a \$500,000 (subject to adjustment by Section 4.10) payment by ATS to Range in return for relinquishment by Range of all rights to use any ATS Software or to use ATS as an Application Service Provider; or (ii) the right to a paid-up license for the ATS Software then in use. The option Range selects shall be Range's exclusive remedy with respect to any claim of breach by reason of ATS' termination pursuant to this Section 4.3.

4.4 ATS Termination for Convenience. ATS may terminate this Agreement for any reason after the third anniversary of the Effective Date, upon giving three Processing Cycle written notice to Range. Upon a termination pursuant to this Section 4.4 and if Range so elects, ATS agrees to provide Range the right to continue ASP Services at a monthly price of \$600 per user per month for up to six Processing Cycles after the expiration of the three Processing Cycle notice period and to continue to license the ATS Software at its then current rates.

4.5 ATS Termination for Default. ATS can terminate this Agreement in the event of a Default (as defined in Section 1.6) by Range, if such Default is not cured within 30 days after delivery of written notification describing each Default. In the event of a Termination for Default, Range will be obligated to pay ATS a severance fee ("Severance Fee") of up to \$100,000 for all costs reasonably incurred by ATS attributable to the severance of the Services. If such Default is cured after 30 days and Range pays all fees due, including the Severance Fee, ATS agrees to provide Range the right to continue ASP Services at a monthly price of \$600 per user per month for up to six Processing Cycles after the expiration of the three Processing Cycle notice period and to license the ATS Software at its then current rates.

4.6 Range Termination for Convenience. Range may terminate this Agreement for any reason by giving ATS three Processing Cycles written notice. In the event this Agreement is terminated pursuant to this Section 4.6, Range will be obligated to pay ATS an early termination fee of \$250,000 (subject to adjustment by Section 4.10), the Severance Fee and all other fees due up to the effective date of termination. Range shall pay all fees due, including the Severance Fee, within 15 days after the effective date of termination. Upon a termination pursuant to this Section 4.6, ATS agrees to provide Range the right to continue ASP Services at a monthly price of \$600 per user per month for up to six Processing Cycles after the expiration of the three Processing Cycle notice period and to license the ATS Software at its then current rates.

4.7 Range Termination for Default. Range may terminate this Agreement in the event of any Default by ATS. However, prior to such termination, Range must provide ATS with notification of each Default in writing and allow ATS 30 days to provide Range a solution or a plan for a solution for each Default. If ATS does not provide Range a solution or a plan for a solution within 30 days of such notification of each Default or if such provided plan is reasonably rejected by Range, Range may either terminate this Agreement upon giving three Processing Cycles written notice to ATS or assess ATS a fine of up to five percent of the monthly payment then due, prorated on a daily basis, for each Default until such Default is resolved to Range's satisfaction. However, under no circumstances shall the cumulative of the

assessed fine(s) exceed 50% of the monthly payment then due, prorated on a daily basis. In the event Range elects to assess ATS a fine, both ATS and Range have the option to terminate this Agreement upon giving three Processing Cycles written notice. In the event ATS or Range elects to terminate this Agreement pursuant to this Section 4.7, ATS agrees to provide Range the right to continue ASP Services at a monthly price of \$600 per user per month for up to six Processing Cycles after the expiration of the three Processing Cycle notice period and to license the ATS Software at its then current rates.

In the event either party terminates this Agreement pursuant to this section, it shall not limit or effect such parties' ability to recover damages caused by any default or breach of the Agreement by the other party except that ATS shall be entitled to credit for the amount of any fines assessed by Range and paid by ATS pursuant to the terms of this section.

4.8 Delivery of Data. Upon termination of the use of the ASP Services, ATS shall provide Range a copy of all data files containing information obtained from, or developed for Range under this Agreement on a computer disk or data tape, and ATS shall provide Range with access to all information and data for a period of 5 years after the termination as provided in Section 8.3 below.

4.9 Requirements upon Termination. Upon completion of the Term or any six month optional period, all Software supplied by ATS to Range will be immediately returned to ATS, all licenses to the Software will be automatically terminated and Range will promptly return or destroy all Confidential Information of ATS.

4.10 Reduction of Termination Fees. In the event of termination of this Agreement pursuant to Sections 4.3 or 4.6, the \$500,000 fee provided for in Section 4.3 and the \$250,000 fee provided for in Section 4.6 shall be prorated on an annual basis with such payment being reduced by one-third of the original amount each anniversary date of the Effective Date.

ARTICLE 5. PERIODS OF SERVICE

This Agreement, together with the Letter of Intent and Services Agreement, provides for the performance of the Services in three stages as follows:

5.1 Interim Period. The Letter of Intent and Services Agreement set forth the obligations of ATS and Range during the Interim Period.

5.2 Operation Period. After the execution of this Agreement, ATS will continue training of Range personnel necessary for daily operations, begin performing the Basic Services, prepare customized reports as necessary and establish a cut-off date from Range's Hartville, Ohio computer facilities.

5.3 Restructure Period. The Letter of Intent details certain selected obligations of ATS and Range during the Restructure Period. However, at any time, performance of additional services by ATS including, but not limited to, data conversion, new software development, and

other tools for conducting business activities may be agreed to by both parties in accordance with Section 2.2.

ARTICLE 6. SOFTWARE AND HARDWARE

6.1 Existing ATS Software. Except as otherwise set forth in this Agreement, ATS shall retain all right, title and interest in and to any software, meaning all computer programs and user manuals, including existing ATS Software listed on Exhibit B, the ("Existing ATS Software"). Range shall have no right, title, or interest in or to such Existing ATS Software for any purpose except as may be expressly set forth herein or in a separate written agreement executed between the parties. Range is granted a non-exclusive, non-transferable, non-sublicenseable perpetual license to use the Existing ATS Software. In the event that a Third Party Software (as defined in Section 1.15) license of ATS is terminated, Range's right to use such Third Party Software will also be terminated and Range will be entitled to a reasonable reduction in the Base Charges unless ATS provides a license to replacement software capable of performing the same functions as those performed by the expiring licensed software.

6.2 Developed ATS Software. Subject to the terms and conditions of this Agreement, ATS agrees to develop, design and install a proprietary production payment software ("PPS") that allows for monthly production payment processing with online inquiry capability. ATS shall own all right, title and interest to the PPS and any modifications and enhancements to the PPS. Range shall retain ownership of any data provided to ATS in relation to the development and implementation of PPS as a Service to be provided to Range. ATS will grant to Range and its Affiliates a non-exclusive, non-transferable, non-sublicenseable right and license to use PPS solely in connection with Services. ATS shall own all right, title and interest to any other newly developed software developed by ATS pursuant to this Agreement, including, but not limited to the PPS (the "Developed ATS Software") and will grant to Range and its Affiliates a non-exclusive and non-transferable right and license to use such Developed ATS Software as necessary. Any Developed ATS Software, not including the PPS, provided to Range or its Affiliates shall be considered a Supplemental Service and shall be provided in accordance with all terms and conditions of this Agreement and shall be pursuant to a completed Professional Services Agreement and Terms of Agreement, the forms of which have been attached hereto as Exhibit C.

6.3 Hardware. ATS will provide all Hardware (as defined in Section 1.7) that is necessary for the performance by ATS of its Services under this Agreement and is not otherwise available to Range.

ARTICLE 7. EMPLOYEES

7.1 Independent Contractor. Except as otherwise provided in this Agreement, each party shall be and act as a independent contractor. This Agreement creates no relationship of employment, joint venture, partnership, limited partnership or agency among the parties and the parties hereby acknowledge that no other facts or relations exist that would create any such relationship between them. Neither party has the right or authority to assume or to create any

obligation or responsibility on behalf of the other party, except as may be provided herein or as may from time to time be provided otherwise by written agreement signed by both parties.

7.2 Staffing. ATS will assign qualified employees to the Range project to perform the Services. The number of qualified employees shall be increased or decreased based on the determination by ATS that the current number of employees is not at an appropriate level for performing the Services. Any increase or decrease in the number of employees shall be mutually agreed to by ATS and Range. ATS shall provide written notice which sets forth the reasons supporting such increase or decrease and Range shall not unreasonably withhold approval of any such increase or decrease.

7.3 Bonuses. Range may pay bonuses to ATS at its sole discretion.

ARTICLE 8. PROCESSING

8.1 Normal Processing. All documents received by Range shall be delivered to ATS in a mutually agreed upon format. Documents not received by ATS on or before the last day of each Processing Cycle (the "Cutoff Date") will be processed in the next Processing Cycle.

8.2 Reports. Required reports ("Reports") will be available either electronically or through hard page documents to Range in a mutually agreed upon format as scheduled in the monthly Closing Schedule (as defined in Section 1.4), except that certain reports requested by Range shall be made available on reasonable demand. Range shall have the sole responsibility to discover any errors or inaccuracies contained in any Reports or any part thereof delivered to Range hereunder and to bring any such errors or inaccuracies to the attention of ATS for correction within one Processing Cycle of such delivery of the Reports. If Range fails to bring any such error or inaccuracy to ATS attention within such period, ATS shall have no responsibility to correct any such error. Changes or corrections discovered by Range subsequent to the one Processing Cycle review period will be processed at ATS' next Processing Cycle.

8.3 Document Storage. During the Term of this Agreement, all Range information will be maintained online for a five-year recurring period and thereafter archived on data tape for future reference by ATS or Range. In the event of termination of this Agreement, all Range information will be returned to Range on data tape.

ARTICLE 9. REPRESENTATIONS AND WARRANTIES

ATS does hereby represent and warrant that:

9.1 Good Standing; Authority. ATS has been duly incorporated and is validly existing as a corporation and is in good standing under the laws of the State of Texas, with full power and authority to own, lease and operate its properties and conduct its business and to execute and deliver, and perform this Agreement.

9.2 "As Is" Basis. All Third Party Hardware, Software, and other items provided by ATS to Range are provided on an "As Is" basis without warranty, with the exception of any

manufacturers' or licensors' warranties which ATS is able to pass on to Range. Third Party Software is sublicensed to Range pursuant to the terms of the license or reseller agreement between ATS and such third party. Range agrees to comply with all terms and conditions of use set forth by the third party for the use of such Third Party Software and execute any documents required by the third party licensor.

9.3 PPS and Newly Developed Software. The PPS and Developed ATS Software will contain no known error, malfunctions or defects. The PPS and Developed ATS Software will not infringe on any patents, copyrights, trade secrets or other proprietary rights of third parties.

9.4 No Other Warranties. EXCEPT AS SPECIFICALLY STATED IN THIS AGREEMENT, ATS MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, REGARDING ANY MATTER, INCLUDING THE MERCHANTABILITY, SUITABILITY, ORIGINALITY, FITNESS FOR A PARTICULAR USE OR PURPOSE, OR RESULTS TO BE DERIVED FROM THE USE OF ANY INFORMATION TECHNOLOGY SERVICE, SOFTWARE, HARDWARE OR OTHER MATERIALS PROVIDED UNDER THIS AGREEMENT.

Range does hereby represent and warrant that:

9.5 Good Standing; Authority. Range has been duly incorporated and is validly existing as a corporation and is in good standing under the laws of the State of Delaware, with full power and authority to own, lease and operate its properties and conduct its business and to execute and deliver, and perform this Agreement.

9.6 Equipment. All equipment, including but not limited to Hardware, provided by Range is in good condition to be used in accordance with the terms of this Agreement.

9.7 Compliance with Laws. All Properties and facilities provided by Range comply with and will be maintained in compliance with all applicable local, state and federal laws.

9.8 Reverse Engineering. Range agrees not to reverse engineer, disassemble, or decompile any of the Software.

ARTICLE 10. CONFIDENTIALITY

10.1 Nondisclosure. Neither party shall disclose any Confidential Information (as defined in Section 1.5), of the other party to any third party without first obtaining written consent of the other party. Each party shall limit dissemination of the other party's Confidential Information only to those employees who require access thereto to perform their functions under this Agreement, and who have been apprised of the confidential nature of such information and agree to abide by the obligations contained herein. Each party agrees to return the Confidential Information to the disclosing party upon receipt of written request and upon the termination of this Agreement. Each party agrees to use reasonable care in the treatment of the other party's confidential information.

10.2 Exceptions. The obligations of nondisclosure in section 10.1 shall not apply to

any information that was already rightfully in the possession of the receiving party or any of its related companies prior to disclosure; was independently developed by employees having no access to Confidential Information; was rightfully received from a third party without restrictions on disclosure or use; was available by inspection of products or services marketed without restrictions, offered for sale or leased in the ordinary course of business by either party hereto or others; or was required to be produced or disclosed pursuant to applicable laws, regulations or court order, provided the receiving party has given the disclosing party the opportunity to defend, limit or protect such production or disclosure, and such disclosure is not greater than what was required to be produced or disclosed.

10.3 Security. Each party will designate one security officer to coordinate with the other security officer all security clearances, appropriate separation of duties and responsibility consistent with commonly accepted internal control procedures.

10.4 Survivability. This Article 10 is severable from all other provisions of this Agreement and shall stand on its own and remain in full force and effect as if it is an agreement unto itself supported by valid consideration, receipt of which is hereby acknowledged by the parties. The term of the provisions of this Article 10 shall survive termination or expiration of this Agreement or any determination that this Agreement or any portion hereof is void, voidable, invalid or unenforceable.

ARTICLE 11. LIABILITY

11.1 Correctness of Information. Range agrees that ATS shall have no liability or responsibility for the accuracy of any information provided by Range. From time to time during the Interim Period and thereafter, ATS will provide to Range summaries of information contained in the materials provided by Range for verification. Within seven days of receipt of such summaries, Range agrees to (i) review the information contained in such summaries, (ii) make any changes which may be necessary for such summaries to be true and accurate and (iii) return the summaries to ATS with any such changes duly executed by Range to reflect such verification. After any such summary has been so verified, ATS shall be entitled to rely thereon in performing any of its functions under this Agreement and shall have no obligation to refer to any of the documents or other information from which such summary is derived.

11.2 Limited Liability. Except as expressly provided herein, neither party shall have any liability to the other party prior to the Effective Date of this Agreement or under this Agreement for any reason, except for liability resulting from the gross negligence, willful misconduct, or breach of this Agreement by either party; or claims by either party's employees and contractors.

11.3 Remedies. RANGE'S SOLE AND EXCLUSIVE REMEDY FOR ANY AND ALL CLAIMS RELATING TO THIS AGREEMENT WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHERWISE SHALL BE THE EXCLUSIVE REMEDY SPECIFIED FOR SUCH CLAIM OR IF NO SUCH EXCLUSIVE REMEDY IS EXPRESSLY SPECIFIED FOR SUCH CLAIM, INCLUDING ANY CLAIM FOR FAILURE TO PROVIDE SUCH AN EXCLUSIVE REMEDY, THE RECOVERY OF RANGE'S DAMAGES, NOT TO EXCEED IN

THE AGGREGATE THE GREATER OF \$500,000 OR PAYMENTS OF BASE CHARGES TO DATE UNLESS SUCH CLAIM RESULTS FROM GROSS NEGLIGENCE, WILLFUL MISCONDUCT OR A MATERIAL BREACH OF THE PROVISIONS OF ARTICLE 10 ON THE PART OF ATS. ATS shall not be liable for any damages incurred by Range to the extent attributable to incorrect data or information furnished by Range to ATS. Further, no cause of action which accrued more than two years prior to the filing of a suit alleging such cause of action may be asserted against ATS. In connection with the conduct of any litigation with third parties relating to any liability of ATS to Range or to such third parties, ATS shall have all rights (including the right to accept or reject settlement offers and to participate in such litigation) which are appropriate to its potential responsibilities or liabilities. Range and ATS expressly acknowledge that the limitations and exclusions contained in this Article have been the subject of active and complete negotiation between the parties and represent the parties' agreement based upon the level of risk to ATS and Range associated with their respective obligations under this Agreement and the payments provided under this Agreement to ATS for such performance.

ARTICLE 12. INDEMNIFICATION

12.1 Indemnification by Range. Range agrees to indemnify and to hold harmless ATS and any officer, employee, agent, representative, or other person acting on behalf of or at the request of ATS (individually, "ATS Indemnified Person") from and against any and all claims, suits, actions or proceedings of any third parties (collectively "Claims") and any losses, judgments, damages, costs, obligations, debts, and liabilities (including any investigation litigation expenses, court costs, attorneys' fees, and other expenses) incurred in connection with, and any amount paid in settlement of any Claims (collectively "Liabilities") to which an ATS Indemnified Person becomes subject resulting from any (i) breach or violation or alleged breach or violation of this Agreement by Range or (ii) any breach or alleged breach of the representations or warranties made in this Agreement by Range, or (iii) any error or omission contained in any data or any information furnished under this Agreement by Range; provided, however, that Range shall not indemnify and hold an ATS Indemnified Person harmless from and against any Claim or Liability to the extent resulting from the negligence, willful misconduct or breach of this Agreement by an ATS Indemnified Person.

12.2 Indemnification by ATS. Subject to Section 11.3, ATS agrees to indemnify and to hold harmless Range and any officer, employee, agent, representative, or other person acting on behalf of or at the request of Range (individually, "Range Indemnified Person") from and against any and all claims, suits, actions or proceedings of any third parties (collectively "Claims" and any losses, judgments, damages, costs, obligations, debts, and liabilities (including any investigation litigation expenses, court costs, attorneys' fees, and other expenses) incurred in connection with, and any amount paid in settlement of any Claims (collectively "Liabilities") to which a Range Indemnified Person becomes subject resulting from any (i) breach or violation or alleged breach or violation of this Agreement by ATS, (ii) any breach or alleged breach of the representations or warranties made in this Agreement by ATS, (iii) any third party claims of patent or copyright infringement relating to the ATS Software, (iv) any third party claims for breach of any licenses to the Third Party Software, or (v) the performance of the ASP Services; provided, however, that ATS shall not indemnify and hold a Range Indemnified Person from and against any Claim or Liability to the extent resulting from the negligence, willful misconduct or

breach of this Agreement by a Range Indemnified Person.

12.3 Survivability. This Article 12 is severable from all other provisions of this Agreement and shall stand on its own and remain in full force and effect as if it is an agreement unto itself supported by valid consideration, receipt of which is hereby acknowledged by the parties. The term of the provisions of this Article 12 shall survive termination or expiration of this Agreement or any determination that this Agreement or any portion hereof is void, voidable, invalid or unenforceable.

ARTICLE 13. MISCELLANEOUS

13.1 Notices. Any notice or other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, sent by reputable overnight courier or delivered by hand, to the addresses of the parties set forth below, or at such other address furnished in writing to the other parties hereto and shall be deemed to have been delivered three days after it has been mailed by such certified or registered mail, one day after it has been delivered to the overnight courier, or upon delivery if hand delivered.

If to ATS:

Applied Terravision Systems, Inc.
15280 Addison Road, Suite 200
Addison, TX 75001-4549
(972) 788-0400 (phone)
(972) 788-0502 (fax)

If to Range:

Range Resources Corporation
500 Throckmorton Street, Suite 1900
Fort Worth, Texas 76102
(817) 870-2601 (phone)
(817) 870-0075 (fax)

13.2 Waiver. Waiver of strict performance of any provision of this Agreement shall not be deemed a waiver nor shall it prejudice the waiving party's right to require strict performance of the same provision or any other provision in the future unless such waiver has rendered further performance commercially impossible.

13.3 Assignment. Neither this Agreement, nor any of either party's rights or obligations under this Agreement, shall be assignable without the prior written consent of both parties.

13.4 No Authority. Neither party shall have any authority, and neither party shall represent that it has any authority, to assume or create any obligation, express or implied, on behalf of the other party, except as provided in this Agreement. Each party is an independent

contractor, and this Agreement shall not be construed as creating a partnership, joint venture or employment relationship between the parties or as creating any other form of legal association that would impose liability on one party for the act or failure to act of the other party.

13.5 Governing Law; Jurisdiction. This Agreement shall be interpreted by the laws of the State of Texas and both parties agree to submit to the jurisdiction of the state and Federal courts in and for Travis County, Texas with respect to any dispute arising under or relating to this Agreement.

13.6 Severability. If any part of this Agreement is found to be invalid, all other provisions shall remain in full force and effect and the provisions found invalid shall be enforced to the maximum extent enforceable by law.

13.7 Force Majeure. Neither party shall be liable for any delay or failure to perform its obligations hereunder to the extent that such delay or failure is caused by a force or event beyond the control of such party, including without limitation, war, embargoes, strikes, riots, fires, floods, earthquakes, or other Acts of God.

13.8 Further Assurances. Each party shall execute, acknowledge and deliver all documents, provide all information, and take or forbear all such action as may be necessary or appropriate to achieve the purposes of this Agreement.

13.9 Alterations. The waiver, amendment, or modification of any provision of this Agreement or any right, power or remedy hereunder, whether by agreement of the parties or by custom, course of dealing or trade practice, shall not be effective unless in writing and signed by the party against whom enforcement of such waiver, amendment or modification is sought.

13.10 Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to give any person other than ATS and Range any legal or equitable right, remedy or claim under or with respect to this Agreement.

13.11 Copies of Agreement. This Agreement may be executed in any number of copies, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

13.12 Number and Gender. All terms and words used in this Agreement regardless of the number and gender in which they are used, shall be deemed and construed to include any other number, singular or plural, and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any paragraph or clause herein may require, the same as if such words have been fully and properly written in the number and gender.

13.13 Headings. The headings of sections and paragraphs, if any, to the extent used herein are for convenience and reference only, in no way define, limit or describe the scope or intent of any provision hereof, and therefore shall not be used in construing or interpreting the provisions hereof.

IN WITNESS WHEREOF, the parties hereto have caused their names to be affixed hereto as of the date first above written.

APPLIED TERRAVISION SYSTEMS, INC.

By: /s/ David R. Orr

Printed Name: David R. Orr

Title: Senior Vice President

RANGE RESOURCES CORPORATION

By: /s/ Eddie M. LeBlanc

Printed Name: Eddie M. LeBlanc

Title: Chief Financial Officer

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