

UNITED STATES
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 quarterly period ended September 30, 2009

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-12209

RANGE RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

34-1312571

(IRS Employer Identification No.)

100 Throckmorton Street, Suite 1200, Fort Worth, Texas
(Address of Principal Executive Offices)

76102
(Zip Code)

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

Former Name, Former Address and Former Fiscal Year, if changed since last report: Not applicable

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 No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer Accelerated Filer Non-Accelerated Filer Smaller Reporting Company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

157,733,941 Common Shares were outstanding on October 20, 2009.

RANGE RESOURCES CORPORATION
FORM 10-Q
Quarter Ended September 30, 2009

Unless the context otherwise indicates, all references in this report to “Range,” “we,” “us,” or “our” are to Range Resources Corporation and its wholly-owned subsidiaries and its ownership interests in equity method investees.

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PART I — FINANCIAL INFORMATION**Item 1. Financial Statements****RANGE RESOURCES CORPORATION
CONSOLIDATED BALANCE SHEETS
(In thousands, except shares)**

	<u>September 30, 2009</u> (Unaudited)	<u>December 31, 2008</u>
Assets		
Current assets:		
Cash and equivalents	\$ 859	\$ 753
Accounts receivable, less allowance for doubtful accounts of \$1,888 and \$954	97,172	162,201
Unrealized derivative gain	78,410	221,430
Inventory and other	20,735	19,927
Total current assets	<u>197,176</u>	<u>404,311</u>
Unrealized derivative gain	—	5,231
Equity method investments	151,824	147,126
Oil and gas properties, successful efforts method	6,300,946	6,028,980
Accumulated depletion and depreciation	<u>(1,429,007)</u>	<u>(1,186,934)</u>
	4,871,939	4,842,046
Transportation and field assets	164,102	142,662
Accumulated depreciation and amortization	<u>(69,824)</u>	<u>(56,434)</u>
	94,278	86,228
Other assets	81,165	66,937
Total assets	<u>\$ 5,396,382</u>	<u>\$ 5,551,879</u>
Liabilities		
Current liabilities:		
Accounts payable	\$ 135,881	\$ 250,640
Asset retirement obligations	2,118	2,055
Accrued liabilities	59,328	47,309
Deferred tax liability	2,462	32,984
Accrued interest	37,002	20,516
Unrealized derivative loss	9,573	10
Total current liabilities	<u>246,364</u>	<u>353,514</u>
Bank debt	398,000	693,000
Subordinated notes and other long term debt	1,383,480	1,097,668
Deferred tax liability	759,406	779,218
Unrealized derivative loss	5,301	—
Deferred compensation liability	132,517	93,247
Asset retirement obligations and other liabilities	85,985	83,890
Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$1 par, 10,000,000 shares authorized, none issued and outstanding	—	—
Common stock, \$0.01 par, 475,000,000 shares authorized, 157,591,936 issued at September 30, 2009 and 155,609,387 issued at December 31, 2008	1,576	1,556
Common stock held in treasury, 233,900 shares at September 30, 2009 and December 31, 2008	(8,557)	(8,557)
Additional paid-in capital	1,743,276	1,695,268
Retained earnings	629,632	685,568
Accumulated other comprehensive income	19,402	77,507
Total stockholders' equity	<u>2,385,329</u>	<u>2,451,342</u>
Total liabilities and stockholders' equity	<u>\$ 5,396,382</u>	<u>\$ 5,551,879</u>

See accompanying notes.

RANGE RESOURCES CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, in thousands, except per share data)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues				
Oil and gas sales	\$ 202,122	\$ 347,720	\$ 597,834	\$ 1,002,726
Transportation and gathering	2,444	1,537	4,091	3,890
Derivative fair value (loss) income	(482)	272,869	65,209	(47,582)
Other	(443)	544	(6,624)	20,777
Total revenues	<u>203,641</u>	<u>622,670</u>	<u>660,510</u>	<u>979,811</u>
Costs and expenses				
Direct operating	31,111	36,532	101,480	106,710
Production and ad valorem taxes	7,600	15,210	23,421	45,106
Exploration	11,102	19,149	35,809	55,204
Abandonment and impairment of unproved properties	24,053	5,055	84,579	10,653
General and administrative	30,568	24,650	84,581	66,000
Deferred compensation plan	16,445	(37,515)	29,635	(9,365)
Interest expense	30,633	25,373	86,817	72,361
Depletion, depreciation and amortization	97,208	76,690	270,241	218,938
Total costs and expenses	<u>248,720</u>	<u>165,144</u>	<u>716,563</u>	<u>565,607</u>
(Loss) income from operations	(45,079)	457,526	(56,053)	414,204
Income tax (benefit) expense				
Current	(695)	2,374	(76)	4,209
Deferred	(14,566)	170,202	(18,884)	152,551
Total income tax (benefit) expense	<u>(15,261)</u>	<u>172,576</u>	<u>(18,960)</u>	<u>156,760</u>
Net (loss) income	<u>\$ (29,818)</u>	<u>\$ 284,950</u>	<u>\$ (37,093)</u>	<u>\$ 257,444</u>
(Loss) income per common share:				
Basic	<u>\$ (0.19)</u>	<u>\$ 1.87</u>	<u>\$ (0.24)</u>	<u>\$ 1.71</u>
Diluted	<u>\$ (0.19)</u>	<u>\$ 1.81</u>	<u>\$ (0.24)</u>	<u>\$ 1.65</u>
Dividends per common share	<u>\$ 0.04</u>	<u>\$ 0.04</u>	<u>\$ 0.12</u>	<u>\$ 0.12</u>
Weighted average common shares outstanding:				
Basic	154,653	152,765	154,257	150,487
Diluted	154,653	157,729	154,257	155,896

See accompanying notes.

RANGE RESOURCES CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>
Operating activities:		
Net (loss) income	\$ (37,093)	\$ 257,444
Adjustments to reconcile net cash provided from operating activities:		
Loss (gain) from equity method investments	6,548	(170)
Deferred income tax (benefit) expense	(18,884)	152,551
Depletion, depreciation and amortization	270,241	218,938
Exploration dry hole costs	342	9,337
Mark-to-market on oil and gas derivatives not designated as hedges	83,393	3,184
Abandonment and impairment of unproved properties	84,579	10,653
Unrealized derivative loss (gain)	483	(1,862)
Deferred and stock-based compensation	58,844	13,413
Amortization of deferred financing costs and other	3,742	2,137
Loss (gain) on sale of assets and other	2,660	(19,415)
Changes in working capital:		
Accounts receivable	38,373	(64,468)
Inventory and other	(807)	(5,263)
Accounts payable	(67,076)	2,927
Accrued liabilities and other	18,423	20,982
Net cash provided from operating activities	<u>443,768</u>	<u>600,388</u>
Investing activities:		
Additions to oil and gas properties	(425,376)	(646,403)
Additions to field service assets	(21,959)	(20,651)
Acreage purchases	(118,724)	(733,767)
Investment in equity method investment	(6,099)	(25,460)
Other assets	8,604	(25,496)
Proceeds from disposal of assets	182,230	66,693
Purchase of marketable securities held by the deferred compensation plan	(6,932)	(9,300)
Proceeds from the sales of marketable securities held by the deferred compensation plan	3,155	6,605
Net cash used in investing activities	<u>(385,101)</u>	<u>(1,387,779)</u>
Financing activities:		
Borrowing on credit facilities	582,000	1,219,000
Repayment on credit facilities	(877,000)	(972,500)
Dividends paid	(18,843)	(18,404)
Debt issuance costs	(6,399)	(5,710)
Issuance of subordinated notes	285,201	250,000
Issuance of common stock	8,368	288,643
Change in cash overdrafts	(37,690)	20,785
Proceeds from the sales of common stock held by the deferred compensation plan	6,049	5,135
Purchases of common stock held by the deferred compensation plan and other treasury stock purchases	(247)	(3,311)
Net cash (used in) provided from financing activities	<u>(58,561)</u>	<u>783,638</u>
Increase (decrease) in cash and equivalents	106	(3,753)
Cash and equivalents at beginning of period	753	4,018
Cash and equivalents at end of period	<u>\$ 859</u>	<u>\$ 265</u>

See accompanying notes.

RANGE RESOURCES CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(Unaudited, in thousands)

	<u>Three Months Ended September 30,</u>		<u>Nine Months Ended September 30,</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Net (loss) income	\$ (29,818)	\$ 284,950	\$ (37,093)	\$ 257,444
Other comprehensive (loss) income:				
Realized loss (gain) on hedge derivative contract settlements reclassified into earnings from other comprehensive (loss) income	(34,248)	25,538	(100,070)	53,300
Change in unrealized deferred hedging gains (losses)	(1,218)	222,569	41,965	(60,157)
Total comprehensive (loss) income	<u>\$ (65,284)</u>	<u>\$ 533,057</u>	<u>\$ (95,198)</u>	<u>\$ 250,587</u>

See accompanying notes.

RANGE RESOURCES CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(1) ORGANIZATION AND NATURE OF BUSINESS

We are engaged in the exploration, development and acquisition of oil and gas properties primarily in the Southwestern and the Appalachian regions of the United States. We seek to increase our reserves and production primarily through drilling and complementary acquisitions. Range Resources Corporation is a Delaware corporation with our common stock listed and traded on the New York Stock Exchange under the symbol "RRC."

(2) BASIS OF PRESENTATION

These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in our current report on Form 8-K filed on August 10, 2009 (see additional information below). These consolidated financial statements are unaudited but, in the opinion of management, reflect all adjustments necessary for fair presentation of the results for the periods presented. All adjustments are of a normal recurring nature unless disclosed otherwise. These consolidated financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission ("SEC") and do not include all of the information and disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. We have evaluated events or transactions that occurred subsequent to September 30, 2009 through the date and time this quarterly report on Form 10-Q was filed.

In second quarter 2009, we identified certain mineral leases amounting to \$8.2 million that expired in 2006, 2007, and 2008, which were not expensed as required. Based on Staff Accounting Bulletin No. 108 ("SAB 108"), we determined that these amounts were immaterial to each of the periods affected and, therefore, we were not required to amend our previously filed reports. However, if these adjustments were recorded in 2009, we believe the impact could be material to this year. Therefore, on August 10, 2009, we adjusted our previously reported results for 2006, 2007, and 2008 for these immaterial amounts (as required by SAB 108), by filing on Form 8-K revised consolidated financial statements for 2006, 2007 and 2008. In addition to recording additional mineral lease expirations, we made four other adjustments to prior year numbers to correct other immaterial items, which included the following adjustments: (1) tax expense of \$3.5 million for discrete tax items recorded in 2008 related to 2007 (2) expense for volumetric ineffectiveness related to our derivative positions of \$1.7 million recorded in 2008 related to 2007 (3) dry hole expense of \$2.4 million not recorded in 2007 and (4) deferred compensation income of \$7.1 million recorded in 2007 related to 2006 and prior years. The balance sheet as of December 31, 2008 has been adjusted to reflect the cumulative impact of such adjustments. As a result, oil and gas properties decreased by \$10.7 million, deferred tax liability decreased \$4.2 million and retained earnings decreased by \$6.5 million. The effect of these adjustments on the three months and the nine months September 30, 2008 was to decrease net income \$374,000 in the third quarter 2008 and increase net income \$5.0 million for the nine months ended September 30, 2008.

We follow Financial Accounting Standards Board ("FASB") Accounting Standards Codification Topic 932 "Extractive Activities-Oil and Gas" for recognizing impairment of capitalized costs related to unproved properties. These costs are capitalized and periodically evaluated (at least quarterly) as to recoverability based on changes brought about by economic factors and potential shifts in business strategy employed by management. We also consider time, geologic and engineering factors to evaluate the need for impairment of these costs. We continue to experience an increase in lease expirations and impairment expense caused by (1) current economic conditions, which have impacted our future drilling plans thereby increasing the amount of expected lease expirations and (2) the expansion of our unproved property positions in new shale plays. As economic conditions change and we continue to evaluate unproved properties, our estimates of expirations will likely change and we may increase or decrease impairment expense. We recorded abandonment and impairment expense in the three and nine months ended September 30, 2009 of \$24.1 million and \$84.6 million compared to \$5.1 million and \$10.7 million in the same periods of the prior year. The nine months ended September 30, 2009 includes the expiration of certain sizeable Barnett Shale leases.

(3) NEW ACCOUNTING STANDARDS

In February 2008, the FASB issued Accounting Standards Codification ("ASC") 820 — 10 (formerly Financial Staff Position SFAS No. 157-2), which delayed the effective date of ASC 820 - 10 (formerly SFAS No. 157) for all non-financial assets and non-financial liabilities except those that are recognized or disclosed at fair value in the financial statements on a recurring basis (at least annually). This deferral primarily applied to our asset retirement obligation, which uses fair value measures at the date incurred to determine our liability and any property impairments that may occur. We adopted the provisions of this standard effective January 1, 2009 and the adoption did not have a material effect on our consolidated results of operations or financial position.

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In June 2008, the FASB issued ASC 260 — 10 (formerly Staff Position No. EITF 03-6-1), “Determining Whether Instruments Granted in Share-Based Payment Transactions are Participating Securities,” which provides that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and, therefore, need to be included in the earnings allocation in computing earnings per share under the two class method. We adopted the provisions of this standard on January 1, 2009 with no impact on our reported earnings per share.

In March 2008, the FASB issued ASC 815- 10 (formerly SFAS No. 161), which amends and expands disclosure requirements with the intent to provide users of financial statements with an enhanced understanding of: (i) how and why any entity uses derivative instruments; (ii) how derivative instruments and related hedged items are accounted for; and (iii) how derivative instruments and related hedged items affect an entity’s financial position, financial performance and cash flows. The provisions of this standard were adopted on January 1, 2009. See Note 11 for additional disclosures about our derivative instruments and hedging activities.

In December 2007, the FASB issued ASC 805-10 (formerly SFAS No. 141(R)), “Business Combinations,” which retains the purchase method of accounting for acquisitions, but requires a number of changes, including changes in the way assets and liabilities are recognized in the purchase method of accounting. It changes the recognition of assets acquired and liabilities assumed arising from contingencies, requires the capitalization of in-process research and development at fair value, and requires the expensing of acquisition-related costs as incurred. The provisions of this standard will apply prospectively to business combinations occurring in our fiscal year beginning January 1, 2009 and the adoption did not have an impact on our financial position or results of operations.

In April 2009, the FASB issued additional application guidance and enhancements to disclosures regarding fair value measurements. ASC 825-10 (formerly FASB Staff Position No. FAS 107-1 and APB 28-1), “Interim Disclosures about Fair Value of Financial Instruments,” enhances consistency in financial reporting by increasing the frequency of fair value disclosures. ASC 820 — 10 (formerly “FASB Staff Position No. FAS 157-4”), “Determining Fair Value when the Volume and Level of Activity for the Asset or Liability have Significantly Decreased and Identifying Transactions that are Not Orderly,” provides guidelines for making fair value measurements more consistent. We adopted the provisions of these standards for the period ended June 30, 2009, which did not have an impact on our financial position or results of operations.

In May 2009, the FASB issued ASC 855-10 (formerly SFAS No. 165), “Subsequent Events,” which establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. We adopted this standard upon issuance with no impact on our financial position or results of operations.

In June 2009, the FASB issued ASC 105-10 (formerly SFAS No. 168), “Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles.” The FASB Accounting Standards Codification™ (“Codification”) has become the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in accordance with GAAP. All existing accounting standard documents are superseded by the Codification and any accounting literature not included in the Codification will not be authoritative. However, rules and interpretive releases of the SEC issued under the authority of federal securities laws will continue to be the source of authoritative generally accepted accounting principles for SEC registrants. Effective September 30, 2009, all references made to GAAP in our consolidated financial statements will include the new Codification numbering system along with original references. The Codification does not change or alter existing GAAP and, therefore, will not have an impact on our financial position, results of operations or cash flows.

(4) DISPOSITIONS

In second quarter 2009, we sold certain oil properties located in West Texas for proceeds of \$182.0 million. The proceeds from the sale of these properties were credited to oil and gas properties, with no gain or loss recognized, as the disposition did not materially impact the depletion rate of the remaining properties in the amortization base. In first quarter 2008, we sold East Texas properties for proceeds of \$64.4 million and recorded a gain of \$20.1 million.

(5) INCOME TAXES

Income tax expense (benefit) was as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Income tax (benefit) expense	\$(15,261)	\$172,576	\$(18,960)	\$156,760
Effective tax rate	33.9%	37.7%	33.8%	37.8%

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We compute our quarterly taxes under the effective tax rate method based on applying an anticipated annual effective rate to our year-to-date income (loss), except for discrete items. Income taxes for discrete items are computed and recorded in the period that the specific transaction occurs. For the three months ended September 30, 2009, our overall effective tax rate on pre-tax loss from operations was different than the statutory rate of 35% due primarily to state income taxes, valuation allowances and other permanent differences. For the three months ended September 30, 2008, our overall effective tax rate on pre-tax income from operations was different than the statutory rate of 35% due primarily to state income taxes and valuation allowance. For the nine months ended September 30, 2009, our overall effective tax rate on loss from operations was different than the statutory rate of 35% due primarily to state income taxes, valuation allowance and other permanent differences. For the nine months September 30, 2008, our overall effective tax rate on income from operations was different than the statutory rate due primarily to state income taxes.

(6) EARNINGS (LOSS) PER COMMON SHARE

Basic income (loss) per share is based on weighted average number of common shares outstanding. Diluted income (loss) per share includes restricted stock, the exercise of stock options, stock appreciation rights (or SARs), provided the effect is not anti-dilutive. The following table sets forth the computation of basic and diluted earnings (loss) per common share (in thousands except per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Numerator:				
Net (loss) income	<u>\$ (29,818)</u>	<u>\$ 284,950</u>	<u>\$ (37,093)</u>	<u>\$ 257,444</u>
Denominator:				
Weighted average common shares outstanding — basic	154,653	152,765	154,257	150,487
Effect of dilutive securities:				
Employee stock options, SARs and stock held in the deferred compensation plan	<u>—</u>	<u>4,964</u>	<u>—</u>	<u>5,409</u>
Weighted average common shares — diluted	<u>154,653</u>	<u>157,729</u>	<u>154,257</u>	<u>155,896</u>
Loss per common share:				
Basic — net (loss) income	\$ (0.19)	\$ 1.87	\$ (0.24)	\$ 1.71
Diluted — net (loss) income	\$ (0.19)	\$ 1.81	\$ (0.24)	\$ 1.65

The weighted average common shares — basic amount excludes 2.7 million shares at September 30, 2009 and 2.3 million shares at September 30, 2008, of restricted stock that is held in our deferred compensation plan (although all restricted stock is issued and outstanding upon grant). Due to our net loss from operations for the three months and the nine months ended September 30, 2009, we excluded 7.6 million of outstanding stock options/SARs and 2.7 million of restricted stock held in our deferred compensation plans from the computations of diluted net loss per share because the effect would have been anti-dilutive. Stock appreciation rights for 1.1 million shares for the three months ended September 30, 2008 and 187,000 shares for the nine months ended September 30, 2008 were outstanding but not included in the computations of diluted net income per share because the grant prices of the SARs were greater than the average market price of the common shares and would be anti-dilutive to the computations.

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The following table reflects the changes in capitalized exploratory well costs for the nine months ended September 30, 2009 and the year ended December 31, 2008 (in thousands):

	September 30, 2009	December 31, 2008
Beginning balance at January 1	\$ 47,623	\$ 15,053
Additions to capitalized exploratory well costs pending the determination of proved reserves	35,377	43,968
Reclassifications to wells, facilities and equipment based on determination of proved reserves	(12,234)	(3,847)
Capitalized exploratory well costs charged to expense	—	(7,551)
Balance at end of period	70,766	47,623
Less exploratory well costs that have been capitalized for a period of one year or less	(44,470)	(41,681)
Capitalized exploratory well costs that have been capitalized for a period greater than one year	<u>\$ 26,296</u>	<u>\$ 5,942</u>
Number of projects that have exploratory well costs that have been capitalized for a period greater than one year	<u>13</u>	<u>3</u>

The \$70.8 million of capitalized exploratory well costs at September 30, 2009 was incurred in 2009 (\$21.3 million), in 2008 (\$43.5 million) and in 2007 (\$6.0 million). Of the thirteen projects that have exploratory costs capitalized for more than one year, twelve projects are Marcellus Shale wells, which are waiting on the completions of pipelines.

(8) INDEBTEDNESS

We had the following debt outstanding as of the dates shown below (in thousands) (bank debt interest rate at September 30, 2009 is shown parenthetically). No interest expense was capitalized during the three months or the nine months ended September 30, 2009 and 2008.

	September 30, 2009	December 31, 2008
Bank debt (2.2%)	\$ 398,000	\$ 693,000
Subordinated debt:		
7.375% Senior Subordinated Notes due 2013, net of discount	198,262	197,968
6.375% Senior Subordinated Notes due 2015	150,000	150,000
7.5% Senior Subordinated Notes due 2016, net of discount	249,626	249,595
7.5% Senior Subordinated Notes due 2017	250,000	250,000
7.25% Senior Subordinated Notes due 2018	250,000	250,000
8.0% Senior Subordinated Notes due 2019, net of discount	285,592	—
Other	—	105
Total debt	<u>\$ 1,781,480</u>	<u>\$ 1,790,668</u>

Bank Debt

In October 2006, we entered into an amended and restated revolving bank facility, which we refer to as our bank debt or our bank credit facility, which is secured by substantially all of our assets. The bank credit facility provides for an initial commitment equal to the lesser of the facility amount or the borrowing base. On September 30, 2009, the borrowing base was \$1.5 billion and our facility amount was \$1.25 billion. The bank credit facility provides for a borrowing base subject to redeterminations semi-annually and for event-driven unscheduled redeterminations. As part of our semi-annual bank review completed September 30, 2009, our borrowing base was reaffirmed at \$1.5 billion and our facility amount was also reaffirmed at \$1.25 billion. Our current bank group is comprised of twenty-six commercial banks each holding between 2.4% and 5.0% of the total facility. Of those twenty-six banks, thirteen are domestic banks and thirteen are foreign banks or wholly owned subsidiaries of foreign banks. The facility amount may be increased up to the borrowing base amount with twenty days notice, subject to payment of a mutually acceptable commitment fee to those banks agreeing to participate in the facility amount increase. At September 30, 2009, the outstanding balance under the bank credit facility was \$398.0 million

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and there was \$852.0 million of borrowing capacity available under the facility amount. The loan matures October 25, 2012. Borrowing under the bank credit facility can either be the Alternate Base Rate (as defined) plus a spread ranging from 0.875% to 1.625% or LIBOR borrowings at the adjusted LIBO Rate (as defined) plus a spread ranging from 1.75% to 2.5%. The applicable spread is dependent upon borrowings relative to the borrowing base. We may elect, from time to time, to convert all or any part of our LIBOR loans to base rate loans or to convert all or any part of the base rate loans to LIBOR loans. The weighted average interest rate on the bank credit facility was 2.2% for the three months ended September 30, 2009 compared to 4.3% for the three months ended September 30, 2008. The weighted average interest rate on the bank credit facility was 2.5% for the nine months ended September 30, 2009 compared to 4.7% in the same period of the prior year. A commitment fee is paid on the undrawn balance based on an annual rate of between 0.375% and 0.50%. At September 30, 2009, the commitment fee was 0.375% and the interest rate margin was 1.75% on our LIBOR loans and 0.875% on our base rate loans. At October 20, 2009, the interest rate (including applicable margin) was 2.1%.

Senior Subordinated Notes

In May 2009, we issued \$300.0 million aggregate principal amount of 8.0% senior subordinated notes due 2019 ("8.0% Notes"). The 8.0% Notes were issued at a discount, which is being amortized over the life of the 8.0% Notes. Interest on the 8.0% Notes is payable semi-annually, in May and November, and is guaranteed by certain of our subsidiaries. We may redeem the 8.0% Notes, in whole or in part, at any time on or after May 15, 2014, at redemption prices of 104.0% of the principal amount as of May 15, 2014 declining to 100.0% on May 15, 2017 and thereafter. Before May 15, 2012, we may redeem up to 35% of the original aggregate principal amount of the 8.0% Notes at a redemption price equal to 108.0% of the principal amount thereof, plus accrued and unpaid interest, if any, with the proceeds of certain equity offerings, provided that at least 65% of the original aggregate principal amount of the 8.0% Notes remain outstanding immediately after the occurrence of such redemption and also provided such redemption shall occur within 60 days of the date of the closing of the equity offering.

Debt Covenants

Our bank credit facility contains negative covenants that limit our ability, among other things, to pay cash dividends, incur additional indebtedness, sell assets, enter into certain hedging contracts, change the nature of our business or operations, merge, consolidate, or make investments. In addition, we are required to maintain a ratio of debt to EBITDAX (as defined in the credit agreement) of no greater than 4.0 to 1.0 and a current ratio (as defined in the credit agreement) of no less than 1.0 to 1.0. We were in compliance with our covenants under the bank credit facility at September 30, 2009.

The indentures governing our senior subordinated notes contain various restrictive covenants that are substantially identical to each other and may limit our ability to, among other things, pay cash dividends, incur additional indebtedness, sell assets, enter into transactions with affiliates, or change the nature of our business. At September 30, 2009, we were in compliance with these covenants.

(9) ASSET RETIREMENT OBLIGATIONS

Our asset retirement obligation primarily represents the estimated present value of the amount we will incur to plug, abandon and remediate our producing properties at the end of their productive lives. Significant inputs used in determining such obligations include estimates of plugging and abandonment costs, estimated future inflation rates and well life. A reconciliation of our liability for plugging, abandonment and remediation costs for the nine months ended September 30, 2009 is as follows (in thousands):

	Nine Months Ended September 30, 2009
Beginning of period	\$ 83,457
Liabilities incurred	1,364
Liabilities settled	(533)
Liabilities sold	(7,287)
Accretion expense	4,431
Change in estimate	2,551
End of period	<u>\$ 83,983</u>

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Accretion expense is recognized as a component of depreciation, depletion and amortization on our consolidated statement of operations.

(10) CAPITAL STOCK

We have authorized capital stock of 485 million shares, which includes 475 million shares of common stock and 10 million shares of preferred stock. The following is a summary of changes in the number of common shares outstanding since the beginning of 2008:

	Nine Months Ended September 30, 2009	Year Ended December 31, 2008
Beginning balance	155,375,487	149,511,997
Public offering	—	4,435,300
Stock options/SARs exercised	1,032,671	1,339,536
Restricted stock grants	475,306	167,054
Treasury shares	—	(78,400)
Issued for acreage purchases	474,572	—
Ending balance	<u>157,358,036</u>	<u>155,375,487</u>

Treasury Stock

The Board of Directors has approved up to \$10.0 million of repurchases of common stock based on market conditions and opportunities. During 2008, we repurchased 78,400 shares of common stock at an average price of \$41.11 for a total of \$3.2 million. We have \$6.8 million remaining under this authorization.

(11) DERIVATIVE ACTIVITIES

We use commodity—based derivative contracts to manage exposures to commodity price fluctuations. We do not enter into these arrangements for speculative or trading purposes. These contracts consist of collars and fixed price swaps. We do not utilize complex derivatives such as swaptions, knockouts or extendable swaps. At September 30, 2009, we had open swap contracts covering 7.1 Bcf of gas at prices averaging \$8.16 per mcf. We also had collars covering 78.9 Bcf of gas at weighted average floor and cap prices of \$5.96 to \$7.70 per mcf and 0.6 million barrels of oil at weighted average floor and cap prices of \$63.43 to \$76.01 per barrel. Their fair value, represented by the estimated amount that would be realized upon termination, based on a comparison of the contract prices and a reference price, generally New York Mercantile Exchange (“NYMEX”), on September 30, 2009, was a net unrealized pre-tax gain of \$80.5 million. These contracts expire monthly through December 2010.

The following table sets forth our derivative volumes and average hedge prices as of September 30, 2009:

Period	Contract Type	Volume Hedged	Average Hedge Price
Natural Gas			
2009	Swaps	76,739 Mmbtu/day	\$8.16
2009	Collars	184,837 Mmbtu/day	\$7.64-\$8.53
2010	Collars	169,671 Mmbtu/day	\$5.50-\$7.47
Crude Oil			
2009	Collars	6,000 bbl/day	\$63.43-\$76.01

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As required by the Derivatives and Hedging Topic of the Codification, every derivative instrument is recorded on the balance sheet as either an asset or a liability measured at its fair value. Fair value is generally determined based on the difference between the fixed contract price and the underlying estimated market price at the determination date. Changes in the fair value of effective cash flow hedges are recorded as a component of "Accumulated other comprehensive income (loss)," ("AOCI") on our consolidated balance sheet which is later transferred to earnings when the underlying physical transaction occurs. Amounts included in AOCI at September 30, 2009 and December 31, 2008 relate solely to our derivative activities. If the derivative does not qualify as a hedge or is not designated as a hedge, changes in fair value of the derivative are recognized in earnings. As of September 30, 2009, an unrealized pre-tax derivative gain of \$30.8 million was recorded in AOCI. This gain is expected to be reclassified into earnings as a \$38.3 million gain in 2009 and as a \$7.5 million loss in 2010. The actual reclassification to earnings will be based on market prices at the contract settlement date.

For those derivative instruments that qualify for hedge accounting, settled transaction gains and losses are determined monthly, and are included as increases or decreases to oil and gas sales in the period the hedged production is sold. Oil and gas sales include \$54.4 million of gains in the three months ended September 30, 2009 compared to losses of \$41.2 million in the three months ended September 30, 2008 related to settled hedging transactions. For the nine months ended September 30, 2009, oil and gas sales include \$158.8 million of gains compared to losses of \$86.0 million in the same period of the prior period related to settled hedging transactions. Any ineffectiveness associated with these hedges is reflected in the statement of operations caption called "Derivative fair value income (loss)." The ineffective portion is calculated as the difference between the change in fair value of the derivative and the estimated change in future cash flows from the item hedged. The three months ended September 30, 2009 include ineffective unrealized losses of \$386,000 compared to unrealized gains of \$4.6 million in the same period of 2008. The nine months ended September 30, 2009 include ineffective unrealized losses of \$483,000 compared to unrealized gains of \$1.9 million in the same period of 2008.

To designate a derivative as a cash flow hedge, we document at the hedge's inception our assessment that the derivative will be highly effective in offsetting expected changes in cash flows from the item hedged. This assessment, which is updated at least quarterly, is generally based on the most recent relevant historical correlation between the derivative and the item hedged. The ineffective portion of the hedge is calculated as the difference between the change in fair value of the derivative and the estimated change in cash flows from the item hedged. If, during the derivative's term, we determine the hedge is no longer highly effective, hedge accounting is prospectively discontinued and any remaining unrealized gains or losses, based on the effective portion of the derivative at that date, are reclassified to earnings as oil or gas sales when the underlying transaction occurs. If it is determined that the designated hedge transaction is not probable to occur, any unrealized gains or losses are recognized immediately in the statement of operations as a "Derivative fair value income or loss." During the first nine months of 2009, there were gains of \$5.4 million reclassified into earnings as a result of the discontinuance of hedge accounting treatment for these derivatives. Due to the sale of certain West Texas oil properties in the second quarter 2009, we liquidated four oil commodity contracts and received proceeds of \$119,000 in July 2009.

Some of our derivatives do not qualify for hedge accounting but provide an economic hedge of our exposure to commodity price risk associated with anticipated future oil and gas production. These contracts are accounted for using the mark-to-market accounting method. We recognize all unrealized and realized gains and losses related to these contracts in the consolidated statement of operations caption called "Derivative fair value income (loss)" (see table below).

In addition to the swaps and collars discussed above, we have entered into basis swap agreements, which do not qualify for hedge accounting and are marked to market. The price we receive for our gas production can be more or less than the NYMEX price because of adjustments for delivery location ("basis"), relative quality and other factors; therefore, we have entered into basis swap agreements that effectively fix a portion of our basis adjustments. The fair value of the basis swaps was a net unrealized pre-tax loss of \$16.9 million at September 30, 2009 and these basis swaps expire through 2011.

[Table of Contents](#)**Derivative Fair Value (Loss) Income**

The following table presents information about the components of derivative fair value (loss) income in the three months and the nine months ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Hedge ineffectiveness — realized	\$ 1,581	\$ (213)	\$ 3,159	\$ 2
— unrealized	(386)	4,553	(483)	1,862
Change in fair value of derivatives that do not qualify for hedge accounting ^(a)	(53,323)	294,317	(83,393)	(3,184)
Realized gain (loss) on settlements — gas ^(a) (b)	51,619	(18,520)	138,361	(30,192)
Realized gain (loss) on settlements — oil (a) (b)	27	(7,268)	7,565	(16,070)
Derivative fair value (loss) income	<u>\$ (482)</u>	<u>\$ 272,869</u>	<u>\$ 65,209</u>	<u>\$ (47,582)</u>

(a) Derivatives that do not qualify for hedge accounting.

(b) These amounts represent the realized gains and losses on settled derivatives that do not qualify for hedge accounting, which before settlement are included in the category above called change in fair value of derivatives that do not qualify for hedge accounting.

The combined fair value of derivatives included in our consolidated balance sheets as of September 30, 2009 and December 31, 2008 is summarized below (in thousands). We conduct derivative activities with thirteen financial institutions, eleven of which are secured lenders in our bank credit facility. We believe all of these institutions are acceptable credit risks. At times, such risks may be concentrated with certain counterparties. The credit worthiness of our counterparties is subject to periodic review. On our balance sheet, derivative assets and liabilities are netted where derivatives with both gain and loss positions are held by a single counterparty.

	September 30, 2009	December 31, 2008
Derivative assets:		
Natural gas — swaps	\$ 24,698	\$ 57,280
— collars	59,680	121,781
— basis swaps	(5,406)	12,434
Crude oil — collars	(562)	35,166
	<u>\$ 78,410</u>	<u>\$ 226,661</u>
Derivative liabilities:		
Natural gas — swaps	\$ —	\$ —
— collars	(3,306)	—
— basis swaps	(11,511)	(10)
Crude oil — collars	(57)	—
	<u>\$ (14,874)</u>	<u>\$ (10)</u>

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The table below provides data about the fair value of our derivative contracts. Derivative assets and liabilities shown below are presented as gross assets and liabilities, without regard to master netting arrangements which are considered in the presentation of derivative assets and liabilities in our consolidated balance sheets (in thousands):

	September 30, 2009			December 31, 2008		
	Assets	(Liabilities)	Net Carrying Value	Assets	(Liabilities)	Net Carrying Value
	Carrying Value	Carrying Value		Carrying Value	Carrying Value	
Derivatives that qualify for cash flow hedge accounting:						
Collars(1)	\$ 44,848	\$ (1,964)	\$ 42,884	\$ 124,193	\$ —	\$ 124,193
	<u>\$ 44,848</u>	<u>\$ (1,964)</u>	<u>\$ 42,884</u>	<u>\$ 124,193</u>	<u>\$ —</u>	<u>\$ 124,193</u>
Derivatives that do not qualify for hedge accounting:						
Swaps(1)	\$ 24,697	\$ —	\$ 24,697	\$ 57,280	\$ —	\$ 57,280
Collars(1)	13,190	(318)	12,872	32,754	—	32,754
Basis swaps(1)	594	(17,511)	(16,917)	12,481	(57)	12,424
	<u>\$ 38,481</u>	<u>\$ (17,829)</u>	<u>\$ 20,652</u>	<u>\$ 102,515</u>	<u>\$ (57)</u>	<u>\$ 102,458</u>

(1) Included in unrealized derivative gain/(loss) on our balance sheet.

The effects of our cash flow hedges on accumulated other comprehensive income (loss) on the consolidated balance sheets are summarized below:

	Three Months Ended September 30,			
	Change in Hedge Derivative Fair Value		Realized Gain (Loss) Reclassified from OCI into Revenue(a)	
	2009	2008	2009	2008
Swaps	\$ —	\$ 26,398	\$ —	\$ (22,893)
Collars	(1,934)	332,584	54,362	(18,298)
Income taxes	716	(136,413)	(20,114)	15,653
	<u>\$ (1,218)</u>	<u>\$ 222,569</u>	<u>\$ 34,248</u>	<u>\$ (25,538)</u>
	Nine Months Ended September 30,			
	Change in Hedge Derivative Fair Value		Realized Gain (Loss) Reclassified from OCI into Revenue(a)	
	2009	2008	2009	2008
Swaps	\$ —	\$ (39,276)	\$ —	\$ (19,765)
Collars	67,386	(57,750)	158,842	(66,203)
Income taxes	(25,421)	36,869	(58,772)	32,668
	<u>\$ 41,965</u>	<u>\$ (60,157)</u>	<u>\$ 100,070</u>	<u>\$ (53,300)</u>

(a) For realized gains upon contract settlement, the reduction in other comprehensive income is offset by an increase in oil and gas revenue. For realized losses upon contract settlement, the increase in other comprehensive income is offset by a decrease in oil and gas revenue.

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The effects of our non-hedge derivatives and the ineffective portion of our hedge derivatives on our consolidated statement of operations is summarized below:

	Three Months Ended September 30,					
	Gain (Loss) Recognized in Income (Non-Hedge)		Gain (Loss) Recognized in Income (Ineffective Portion)		Derivative Fair Value Income (Loss)	
	2009	2008	2009	2008	2009	2008
Swaps	\$ 6,540	\$ 194,821	\$ —	\$ 802	\$ 6,540	\$ 195,623
Collars	4,976	70,819	1,195	3,538	6,171	74,357
Basis Swaps	(13,193)	2,889	—	—	(13,193)	2,889
Total	<u>\$ (1,677)</u>	<u>\$ 268,529</u>	<u>\$ 1,195</u>	<u>\$ 4,340</u>	<u>\$ (482)</u>	<u>\$ 272,869</u>

	Nine Months Ended September 30,					
	Gain (Loss) Recognized in Income (Non-Hedge)		Gain (Loss) Recognized in Income (Ineffective Portion)		Derivative Fair Value Income (Loss)	
	2009	2008	2009	2008	2009	2008
Swaps	\$ 60,098	\$ (43,080)	\$ —	\$ (655)	\$ 60,098	\$ (43,735)
Collars	29,846	(19,731)	2,676	2,519	32,522	(17,212)
Basis Swaps	(27,411)	13,365	—	—	(27,411)	13,365
Total	<u>\$ 62,533</u>	<u>\$ (49,446)</u>	<u>\$ 2,676</u>	<u>\$ 1,864</u>	<u>\$ 65,209</u>	<u>\$ (47,582)</u>

(12) FAIR VALUE MEASUREMENTS

We use a market approach for our fair value measurements and endeavor to use the best information available. Accordingly, valuation techniques that maximize the use of observable impacts are favored. The following presents the fair value hierarchy table for assets and liabilities measured at fair value, on a recurring basis (in thousands):

	Fair Value Measurements at September 30, 2009 Using:			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Carrying Value as of September 30, 2009
Trading securities held in the deferred compensation plans	\$ 44,428	\$ —	\$ —	\$ 44,428
Derivatives — swaps	—	24,698	—	24,698
— collars	—	55,755	—	55,755
— basis swaps	—	(16,917)	—	(16,917)

These items are classified in their entirety based on the lowest priority level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement of assets and liabilities within the levels of the fair value hierarchy. Our trading securities in Level 1 are exchange-traded and measured at fair value with a market approach using September 30, 2009 market values. Derivatives in Level 2 are measured at fair value with a market approach using third-party pricing services, which have been corroborated with data from active markets or broker quotes.

Our trading securities held in the deferred compensation plan are accounted for using the mark-to-market accounting method and are included in the balance sheet category called “other assets.” We elected to adopt the fair value option to simplify our accounting for the investments in our deferred compensation plan. Interest, dividends, and mark-to-market gains/losses are included in the statement of operations category called “Deferred compensation plan expense.” For the three months ended September 30, 2009, interest and dividends were \$45,000 and mark-to-market was a gain of \$5.7 million. For the three months ended September 30, 2008, interest and dividends were \$52,000 and the mark-to-market was a loss of \$6.3 million. For the nine months ended September 30, 2009, interest and dividends were \$138,000 and mark-to-market was a

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gain of \$9.1 million. For the nine months ended September 30, 2008, interest and dividends were \$319,000 and the mark-to-market was a loss of \$11.5 million.

The following table presents the carrying amounts and the fair values of our financial instruments as of September 30, 2009 and December 31, 2008 (in thousands):

	September 30, 2009		December 31, 2008	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Commodity swaps and collars	\$ 78,410	\$ 78,410	\$ 226,661	\$ 226,661
Marketable securities ^(a)	44,428	44,428	33,473	33,473
Liabilities:				
Commodity swaps and collars	(14,874)	(14,874)	(10)	(10)
Long-term debt ^(b)	(1,781,480)	(1,789,230)	(1,790,668)	(1,621,793)

(a) Marketable securities are held in our deferred compensation plans.

(b) The book value of our bank debt approximates fair value because of its floating rate structure. The fair value of our senior subordinated notes is based on end of period market quotes.

Concentration of Credit Risk

Most of our receivables are from a diverse group of companies, including major energy companies, pipeline companies, local distribution companies, financial institutions and end-users in various industries. Letters of credit or other appropriate security are obtained as necessary to limit risk of loss. Our allowance for uncollectible receivables was \$1.9 million at September 30, 2009 and \$954,000 at December 31, 2008. Commodity-based contracts expose us to the credit risk of nonperformance by the counterparty to the contracts. These contracts consist of collars and fixed price swaps. This exposure is diversified among major investment grade financial institutions and we have master netting agreements with the counterparties that provide for offsetting payables against receivables from separate derivative contracts. Our derivative counterparties include thirteen financial institutions, eleven of which are secured lenders in our bank credit facility. Mitsui & Co. and J. Aron & Company are the two counterparties not in our bank group. At September 30, 2009, our net derivative asset includes a payable to J. Aron & Company of \$965,000 and a receivable from Mitsui & Co. for \$4.9 million. None of our derivative contracts have margin requirements or collateral provisions that would require funding prior to the scheduled cash settlement date.

(13) EMPLOYEE BENEFIT AND EQUITY PLANS

We have two active equity-based stock plans. Under these plans, incentive and nonqualified options, SARs and annual cash incentive awards may be issued to directors and employees pursuant to decisions of the Compensation Committee, which is made up of non-employee, independent directors from the Board of Directors. All awards granted have been issued at prevailing market prices at the time of the grant. Since the middle of 2005, only SARs have been granted under the plans to limit the dilutive impact of our equity plans. Information with respect to stock option and SARs activities is summarized below:

	Shares	Weighted Average Exercise Price
Outstanding on December 31, 2008	7,248,666	\$ 26.15
Granted	1,705,429	36.85
Exercised	(1,287,291)	13.44
Expired/forfeited	(61,548)	40.08
Outstanding on September 30, 2009	<u>7,605,256</u>	<u>\$ 30.58</u>

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The following table shows information with respect to outstanding stock options and SARs at September 30, 2009:

Range of Exercise Prices	Outstanding			Exercisable	
	Shares	Weighted-Average Remaining Contractual Life	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
\$1.29—\$9.99	933,036	2.18	\$ 3.39	933,036	\$ 3.39
10.00—19.99	1,390,634	0.65	16.79	1,390,634	16.79
20.00—29.99	1,150,961	1.48	24.30	1,140,261	24.28
30.00—39.99	2,424,333	3.34	34.14	767,380	34.42
40.00—49.99	619,437	4.59	41.73	55,485	41.69
50.00—59.99	713,440	3.39	58.49	214,387	58.57
60.00—69.99	26,677	3.63	65.40	8,529	65.33
70.00—75.00	346,738	3.64	75.00	122,563	75.00
Total	7,605,256	2.54	\$ 30.58	4,632,275	\$ 22.72

The weighted average fair value of an option/SAR to purchase one share of common stock granted during 2009 was \$15.41. The fair value of each stock option/SAR granted during 2009 was estimated as of the date of grant using the Black-Scholes-Merton option-pricing model based on the following average assumptions: risk-free interest rate of 1.5%; dividend yield of 0.4%; expected volatility of 59%; and an expected life of 3.5 years.

As of September 30, 2009, the aggregate intrinsic value (the difference in value between exercise and market price) of the awards outstanding was \$158.6 million. The aggregate intrinsic value and weighted average remaining contractual life of stock option awards currently exercisable was \$128.7 million and 1.7 years. As of September 30, 2009, the number of fully vested awards and awards expected to vest was 7.5 million. The weighted average exercise price and weighted average remaining contractual life of these awards was \$30.35 and 2.5 years and the aggregate intrinsic value was \$157.2 million. As of September 30, 2009, unrecognized compensation cost related to the awards was \$32.1 million, which is expected to be recognized over a weighted average period of 1.2 years. Of the 7.6 million stock option/SARs outstanding at September 30, 2009, 1.6 million are stock options and 6.0 million are SARs.

Restricted Stock Grants

During the first nine months of 2009, 539,000 shares of restricted stock (or non-vested shares) were issued to employees at an average price of \$37.83 with a three-year vesting period and 22,700 shares were granted to our directors at an average price of \$41.60 with immediate vesting. In the first nine months of 2008, we issued 314,000 shares of restricted stock as compensation to employees at an average price of \$65.40 with a three-year vesting period and 10,800 shares were granted to our directors at a price of \$75.00 with immediate vesting. We recorded compensation expense related to restricted stock grants which is based upon the market value of the shares on the date of grant of \$13.1 million in the first nine months of 2009 compared to \$10.7 million in the nine-month period ended September 30, 2008. As of September 30, 2009, unrecognized compensation cost related to restricted stock awards was \$25.9 million, which is expected to be recognized over the weighted average period of 1.2 years (not including the mark-to-market expense (income) that would also be recognized over that same time period — see Deferred Compensation Plan discussion below). All of our restricted stock grants are held in our deferred compensation plans (see also discussion below). All awards granted have been issued at prevailing market prices at the time of the grant and the vesting of these shares is based upon an employee's continued employment with us.

A summary of the status of our non-vested restricted stock outstanding at September 30, 2009 is presented below:

	Shares	Weighted Average Grant Date Fair Value
Non-vested shares outstanding at December 31, 2008	473,547	\$ 48.50
Granted	561,267	37.98
Vested	(367,700)	40.45
Forfeited	(7,767)	38.32
Non-vested shares outstanding at September 30, 2009	659,347	\$ 44.16

Deferred Compensation Plan

Our deferred compensation plan gives directors, officers and key employees the ability to defer all or a portion of their salaries and bonuses and invest such amounts in Range common stock or make other investments at the individual's discretion. The assets of the plan are held in a grantor trust, which we refer to as the Rabbi Trust, and are therefore available to satisfy the claims of our creditors in the event of bankruptcy or insolvency. Our stock granted and held in the Rabbi Trust is treated as a liability award as employees are allowed to take withdrawals from the Rabbi Trust either in cash or in Range stock. The liability associated with the vested portion of the stock held in the Rabbi Trust is adjusted to fair value each reporting period by a charge or credit to deferred compensation plan expense on our consolidated statement of operations. The assets of the Rabbi Trust, other than Range common stock, are invested in marketable securities and reported at market value under the caption other assets on our consolidated balance sheet. Changes in the market value of the securities are charged or credited to deferred compensation plan expense each quarter. The deferred compensation liability on our balance sheet reflects the vested market value of the marketable securities and Range common stock held in the Rabbi Trust. We recorded non-cash, mark-to-market expense related to our deferred compensation plan of \$16.4 million in the third quarter 2009 and \$29.6 million in the first nine months of 2009 compared to mark-to-market income of \$37.5 million in the third quarter 2008 and \$9.4 million in the first nine months of 2008.

(14) SUPPLEMENTAL CASH FLOW INFORMATION

	Nine Months Ended September 30,	
	2009	2008
(in thousands)		
Non-cash investing and financing activities included:		
Asset retirement costs (removed) capitalized, net	\$ (3,373)	\$ (7,389)
Unproved property purchased with stock	\$20,548	\$ —
Net cash provided from operating activities included:		
Interest paid	\$66,556	\$59,590
Income taxes paid (refunded)	\$ (493)	\$ 4,554

(15) COMMITMENTS AND CONTINGENCIES**Transportation Contracts**

We have entered firm transportation contracts with various pipelines. Under these contracts, we are obligated to transport minimum daily gas volumes, as calculated on a monthly basis, or pay for any deficiencies at a specified reservation fee rate. In most cases, our production committed to these pipelines is expected to exceed the minimum daily volumes provided in the contracts. As of September 30, 2009, future minimum transportation fees under our gas transportation commitments are as follows (in thousands):

2009 remaining	\$ 8,891
2010	34,663
2011	34,180
2012	31,220
2013	30,349
2014	27,070
Thereafter	207,240
	<u>\$ 373,613</u>

Litigation

We are involved in various legal actions and claims arising in the ordinary course of our business. While the outcome of these lawsuits cannot be predicted with certainty, we do not expect these matters to have a material adverse effect on our financial position, cash flows or results of operations.

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	September 30, 2009	December 31, 2008
	(in thousands)	
Oil and gas properties:		
Properties subject to depletion	\$ 5,534,009	\$ 5,271,021
Unproved properties	766,937	757,959
Total	6,300,946	6,028,980
Accumulated depreciation, depletion and amortization	(1,429,007)	(1,186,934)
Net capitalized costs	<u>\$ 4,871,939</u>	<u>\$ 4,842,046</u>

(a) Includes capitalized asset retirement costs and associated accumulated amortization.

(17) COSTS INCURRED FOR PROPERTY ACQUISITIONS, EXPLORATION AND DEVELOPMENT(a)

	Nine Months Ended September 30, 2009	Year Ended December 31, 2008
	(in thousands)	
Acquisitions:		
Unproved leasehold	\$ —	\$ 99,446
Proved oil and gas properties	445	251,471
Asset retirement obligations	—	251
Acreage purchases(b)	123,421	494,341
Development	376,254	729,268
Exploration:		
Drilling	41,063	133,116
Expense	32,878	63,560
Stock-based compensation expense	2,933	4,130
Gas gathering facilities	19,959	47,056
Subtotal	596,953	1,822,639
Asset retirement obligations	(3,373)	4,647
Total costs incurred	<u>\$ 593,580</u>	<u>\$ 1,827,286</u>

(a) Includes costs incurred whether capitalized or expensed.

(b) The nine months ended September 30, 2009 includes 474,572 shares of stock issued to purchase \$20.5 million of Marcellus acreage.

(18) OFFICE CLOSING

We have announced the closing of our Gulf Coast Area administrative and operations office in Houston, Texas. The properties will be operated out of our Southwest Area office in Fort Worth effective November 1, 2009. As of September 30, 2009, we have accrued \$840,000 of severance costs. At the time of closure, employee severance costs, and lease termination costs are not expected to be material. Expenses related to lease termination and severance costs are included in general and administrative expenses in our consolidated statement of operations.

(19) ACCOUNTING STANDARDS NOT YET ADOPTED

In December 2008, the SEC announced that it had approved revisions to its oil and gas reporting disclosures. The new disclosure requirements include provisions that:

- Introduce a new definition of oil and gas producing activities. This new definition allows companies to include in their reserve base volumes from unconventional resources. Such unconventional resources include bitumen extracted from oil sands and oil and gas extracted from coal beds and shale formations.
- Require companies to report oil and gas reserves using an unweighted average price using the prior 12-month period, based on the closing prices on the first day of each month, rather than year-end prices. The SEC indicated they will continue to communicate with the FASB staff to align FASB's accounting standards with these rules. The FASB currently requires a single-day, year-end price for accounting purposes.
- Permit companies to disclose their probable and possible reserves on a voluntary basis. In the past, proved reserves were the only reserves allowed in the disclosures.
- Require companies to provide additional disclosure regarding the aging of proved undeveloped reserves.
- Permit the use of reliable technologies to determine proved reserves if those technologies have been demonstrated empirically to lead to reliable conclusions about reserves volumes.
- Replace the existing "certainty" test for areas beyond one offsetting drilling unit from a productive well with a "reasonable certainty" test.
- Require additional disclosures regarding the qualifications of the chief technical person who oversees the company's overall reserve estimation process. Additionally, disclosures regarding internal controls over reserve estimation, as well as a report addressing the independence and qualifications of its reserves preparer or auditor will be mandatory.

We will begin complying with the disclosure requirements in our annual report on Form 10-K for the year ending December 31, 2009. The new rules may not be applied to disclosures in quarterly reports prior to the first annual report in which the revised disclosures are required. We are currently in the process of evaluating the new requirements.

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

The following discussion should be read in conjunction with management's discussion and analysis contained in our 2008 Annual Report on Form 10-K, as well as the consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q. Statements in our discussion may be forward-looking. These forward-looking statements involve risks and uncertainties. We caution that a number of factors could cause future production, revenues and expenses to differ materially from our expectations. For additional risk factors affecting our business, see the information in Item 1A. Risk Factors, in our 2008 Annual Report on Form 10-K and subsequent filings. The three months and the nine months ended September 30, 2008 have been adjusted for certain immaterial amounts. See also Note 2 of this report.

Critical Accounting Estimates and Policies

The preparation of financial statements in accordance with generally accepted accounting principles requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements and the reported amounts of revenues and expenses during the respective reporting periods. Actual results could differ from the estimates and assumptions used. These policies and estimates are described in the 2008 Form 10-K except as updated below. We have identified the following critical accounting policies and estimates used in the preparation of our financial statements: accounting for oil and gas revenue, oil and gas properties, stock-based compensation, derivative financial instruments, asset retirement obligations and deferred taxes.

We adhere to FASB Accounting Standards Codification Topic 932 "Extractive Activities — Oil and Gas," for recognizing impairment of capitalized costs related to unproved properties. These costs are capitalized and periodically evaluated (at least quarterly) as to recoverability based on changes brought about by economic factors and potential shifts in business strategy employed by management. We also consider time, geologic and engineering factors to evaluate the need for impairment of these costs. We continue to experience an increase in lease expirations and impairment expense caused by (1) current economic conditions, which have impacted our future drilling plans thereby increasing the amount of expected lease expirations, and (2) the rapid expansion of our unproved property positions in new shale plays. As economic conditions change and we continue to evaluate unproved properties, our estimates of expirations likely will change and we may increase or decrease impairment expense. We recorded abandonment and impairment expense in the three and nine months ended September 30, 2009 of \$24.1 million and \$84.6 million compared to \$5.1 million and \$10.7 million in the same periods of the prior year.

Results of Continuing Operations

Overview

Total revenues declined \$419.0 million, or 67% for third quarter 2009 over the same period of 2008. The decrease includes a \$273.4 million decrease in derivative fair value (loss) income and a \$145.6 million decrease in oil and gas sales. Oil and gas sales vary due to changes in volumes of production sold and realized commodity prices. Due to volatility in oil and gas prices, realized prices dropped sharply from the same period of the prior year, which was partially offset by an increase in production. For third quarter 2009, production increased 13% from the same period of the prior year while realized prices declined 30%. For the nine months ended September 30, 2009, production also increased 13% from the same period of the prior year while realized prices declined 31%. We believe oil and gas prices will remain volatile and will be affected by, among other things, weather, the U.S. and worldwide economy, new regulations, new technology, and the level of oil and gas production in North America and worldwide.

Despite a 13% increase in production volumes, oil and gas sales declined 42% when compared to the same period in the prior year. The oil and gas commodity price decline, which began during the second half of 2008, has continued through the first nine months of 2009, especially with regard to natural gas prices. However, signs of possible economic improvement have recently resulted in higher oil prices and a slight increase in natural gas prices. With the lower commodity price environment, we have focused our efforts on improving our operating efficiency. These efforts resulted in 25% lower direct operating expense per mcf for the third quarter and 16% lower for the nine months ended September 30, 2009 when compared to the same periods of the prior year. However, as we continue to expand our Marcellus Shale team to meet the needs of this developing asset, we have seen upward pressure on our general and administrative costs per mcf. To mitigate this trend, we have announced the closing of our Gulf Coast business unit office in Houston, Texas, effective November 1, 2009. The operations will be combined with and operated out of our Southwestern Area office in Fort Worth. We also continue to see higher fixed interest expense per mcf due to the issuances of new fixed rate senior subordinated notes at higher interest rates than our floating rate bank credit facility.

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Oil and Gas Sales, Production and Realized Price Calculation

Our oil and gas sales vary from quarter to quarter as a result of changes in realized commodity prices and volumes of production sold. Hedges included in oil and gas sales reflect settlement on those derivatives that qualify for hedge accounting. Cash settlement of derivative contracts that are not accounted for as hedges are included in the consolidated statement of operations captioned "Derivative fair value income (loss)." The following table summarizes the primary components of oil and gas sales for the three months and the nine months ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
Oil wellhead	\$ 33,869	\$ 86,506	\$ (52,637)	(61%)	\$ 101,892	\$ 257,640	\$ (155,748)	(60%)
Oil hedges realized	240	(28,003)	28,243	101%	12,247	(76,428)	88,675	116%
Total oil sales	<u>34,109</u>	<u>58,503</u>	<u>(24,394)</u>	(42%)	<u>114,139</u>	<u>181,212</u>	<u>(67,073)</u>	(37%)
Gas wellhead	97,004	282,243	(185,239)	(66%)	300,646	775,813	(475,167)	(61%)
Gas hedges realized	54,122	(13,188)	67,310	510%	146,594	(9,540)	156,134	1,637%
Total gas sales	<u>151,126</u>	<u>269,055</u>	<u>(117,929)</u>	(44%)	<u>447,240</u>	<u>766,273</u>	<u>(319,033)</u>	(42%)
NGL	<u>16,887</u>	<u>20,162</u>	<u>(3,275)</u>	(16%)	<u>36,455</u>	<u>55,241</u>	<u>(18,786)</u>	(34%)
Combined wellhead	147,760	388,911	(241,151)	(62%)	438,993	1,088,694	(649,701)	(60%)
Combined hedges	54,362	(41,191)	95,553	232%	158,841	(85,968)	244,809	285%
Total oil and gas sales	<u>\$ 202,122</u>	<u>\$ 347,720</u>	<u>\$ (145,598)</u>	(42%)	<u>\$ 597,834</u>	<u>\$ 1,002,726</u>	<u>\$ (404,892)</u>	(40%)

Our production continues to grow through continued drilling success as we place new wells into production. For third quarter 2009, our production volumes increased, from the same period of the prior year, 32% in our Appalachian Area, 4% in our Southwestern Area and decreased 33% in our Gulf Coast Area. For the nine months ended September 30, 2009, our production volumes increased, from the same period of the prior year, 23% in our Appalachia Area, 8% in our Southwestern Area and decreased 11% in our Gulf Coast Area. Crude oil production declined primarily due to the sale of certain oil properties in West Texas effective June 30, 2009. Our production for the three months and the nine months ended September 30, 2009 and 2008 is shown below:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
Production:								
Crude oil (bbls)	534,399	759,449	(225,050)	(30%)	1,987,603	2,343,138	(355,535)	(15%)
NGLs (bbls)	543,005	345,635	197,370	57%	1,492,259	993,366	498,893	50%
Natural gas (mcf)	33,747,972	29,053,832	4,694,140	16%	96,205,898	84,029,611	12,176,287	14%
Total (mcf) ^(a)	<u>40,212,396</u>	<u>35,684,336</u>	<u>4,528,060</u>	13%	<u>117,085,070</u>	<u>104,048,635</u>	<u>13,036,435</u>	13%
Average daily production:								
Crude oil (bbls)	5,809	8,255	(2,446)	(30%)	7,281	8,552	(1,271)	(15%)
NGLs (bbls)	5,902	3,757	2,145	57%	5,466	3,625	1,841	51%
Natural gas (mcf)	366,826	315,803	51,023	16%	352,403	306,677	45,726	15%
Total (mcf) ^(a)	<u>437,091</u>	<u>387,873</u>	<u>49,218</u>	13%	<u>428,883</u>	<u>379,740</u>	<u>49,143</u>	13%

(a) Oil and NGLs are converted at the rate of one barrel equals six mcfe.

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Our average realized price (including all derivative settlements) received for oil and gas was \$6.35 per mcf in third quarter 2009 compared to \$9.02 per mcf in the same period of the prior year. Our average realized price calculation (including all derivative settlements) includes all cash settlement for derivatives, whether or not they qualify for hedge accounting. Average price calculations for the three months and the nine months ended September 30, 2009 and 2008 are shown below:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Average sales prices (wellhead):				
Crude oil (per bbl)	\$63.38	\$113.91	\$51.26	\$109.95
NGLs (per bbl)	\$31.10	\$ 58.34	\$24.43	\$ 55.61
Natural gas (per mcf)	\$ 2.87	\$ 9.72	\$ 3.13	\$ 9.23
Total (per mcf)(a)	\$ 3.67	\$ 10.90	\$ 3.75	\$ 10.46
Average realized price (including derivatives that qualify for hedge accounting):				
Crude oil (per bbl)	\$63.83	\$ 77.03	\$57.43	\$ 77.34
NGLs (per bbl)	\$31.10	\$ 58.34	\$24.43	\$ 55.61
Natural gas (per mcf)	\$ 4.48	\$ 9.26	\$ 4.65	\$ 9.12
Total (per mcf)(a)	\$ 5.03	\$ 9.74	\$ 5.11	\$ 9.64
Average realized price (including all derivative settlements):				
Crude oil (per bbl)	\$63.88	\$ 67.40	\$61.24	\$ 70.06
NGLs (per bbl)	\$31.10	\$ 58.34	\$24.43	\$ 55.61
Natural gas (per mcf)	\$ 6.05	\$ 8.62	\$ 6.12	\$ 8.77
Total (per mcf)(a)	\$ 6.35	\$ 9.02	\$ 6.38	\$ 9.19
Average NYMEX prices(b)				
Oil (per bbl)	\$68.18	\$117.83	\$56.01	\$113.66
Natural gas (per mcf)	\$ 3.41	\$ 10.08	\$ 3.93	\$ 9.67

(a) Oil and NGLs are converted at the rate of one barrel equals six mcfe.

(b) Based on average of bid week prompt month prices.

Derivative fair value (loss) income is a loss of \$482,000 in third quarter 2009 compared to income of \$272.9 million in the same period of 2008. Some of our derivatives do not qualify for hedge accounting but provide an economic hedge of our exposure to commodity price risk associated with anticipated future oil and gas production. These contracts are accounted for using the mark-to-market accounting method. All unrealized and realized gains and losses related to these contracts are included in the consolidated statement of operations caption "Derivative fair value income (loss)." We have also entered into basis swap agreements, which do not qualify for hedge accounting and are also marked to market. Not using hedge accounting treatment creates volatility in our revenues as unrealized gains and losses from non-hedge derivatives are included in total revenues and are not included in our balance sheet caption "Accumulated other comprehensive income (loss)." Hedge ineffectiveness, also included in this statement of operations category, is associated with our hedging contracts that qualify for hedge accounting under the Derivatives and Hedging Topic of the Codification.

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The following table presents information about the components of derivative fair value income (loss) for the three months and the nine months ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Hedge ineffectiveness — realized ^(c)	\$ 1,581	\$ (213)	\$ 3,159	\$ 2
— unrealized ^(a)	(386)	4,553	(483)	1,862
Change in fair value of derivatives that do not qualify for hedge accounting ^(a)	(53,323)	294,317	(83,393)	(3,184)
Realized gain (loss) on settlements — gas ^{(b)(c)}	51,619	(18,520)	138,361	(30,192)
Realized gain (loss) on settlements — oil ^{(b)(c)}	27	(7,268)	7,565	(16,070)
Derivative fair value (loss) income	<u>\$ (482)</u>	<u>\$ 272,869</u>	<u>\$ 65,209</u>	<u>\$ (47,582)</u>

(a) These amounts are unrealized and are not included in average sales price calculations.

(b) These amounts represent realized gains and losses on settled derivatives that do not qualify for hedge accounting.

(c) These settlements are included in average realized price calculations (average realized price including all derivative settlements).

Other revenue for third quarter 2009 decreased to a loss of \$443,000 compared to income of \$544,000 in the same period of 2008. Third quarter 2009 includes a loss from equity method investments of \$1.0 million compared to income of \$151,000 in the same period of the prior year. Other revenue for the first nine months of 2009 decreased to a loss of \$6.6 million from a gain of \$20.8 million in the same period of the prior year. The first nine months of 2009 includes a loss from equity method investments of \$6.5 million. The first nine months of 2008 includes a gain on the sale of certain East Texas properties of \$20.1 million.

We believe some of our expense fluctuations are best analyzed on a unit-of-production, or per mcfe, basis. The following presents information about these expenses on an mcfe basis for the three months and the nine months ended September 30, 2009 and 2008:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
Direct operating expense	\$0.77	\$1.02	\$(0.25)	(25%)	\$0.87	\$1.03	\$(0.16)	(16%)
Production and ad valorem tax expense	0.19	0.43	(0.24)	(56%)	0.20	0.43	(0.23)	(53%)
General and administrative expense	0.76	0.69	0.07	10%	0.72	0.63	0.09	14%
Interest expense	0.76	0.71	0.05	7%	0.74	0.70	0.04	6%
Depletion, depreciation and amortization expense	2.42	2.15	0.27	13%	2.31	2.10	0.21	10%

Direct operating expense declined \$5.4 million in third quarter 2009 to \$31.1 million. We experience increases in operating expenses as we add new wells and maintain production from existing properties. In the third quarter 2009, this effect was more than offset by lower overall industry costs, lower workovers and asset sales. On an absolute dollar basis, our spending for direct operating expense (excluding workovers) is virtually unchanged for the three months and the nine months ended September 30, 2009 despite higher production levels, due to cost containment measures and lower overall industry costs. We incurred \$2.7 million (\$0.07 per mcfe) of workover costs in third quarter 2009 versus \$3.7 million (\$0.10 per mcfe) in 2008. On a per mcfe basis, direct operating expenses for third quarter 2009 decreased \$0.25 or 25% from the same period of 2008 with the decrease consisting primarily of lower workover costs (\$0.03 per mcfe) and lower utility costs (\$0.04 per mcfe) and lower well service costs. Direct operating expense was \$101.5 million in the first nine months of 2009 compared to \$106.7 million in the same period of the prior year. We incurred \$5.3 million (\$0.05 per mcfe) of workover costs in the first nine months of 2009 versus \$9.1 million (\$0.09 per mcfe) in 2008. On a per mcfe basis, direct operating expenses for the first nine months of 2009 decreased \$0.16 or 16% from the same time period of 2008 with the decrease consisting primarily of lower workover costs (\$0.04 per mcfe), lower utility costs (\$0.02 per mcfe) and lower well service costs. Stock-based compensation included in this category represents amortization of restricted stock grants and expense related to SAR grants. The following table summarizes direct operating expenses per mcfe for the three months and the nine months ended September 30, 2009 and 2008:

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	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
Lease operating expense	\$ 0.68	\$ 0.90	\$ (0.22)	(24%)	\$ 0.80	\$ 0.92	\$ (0.12)	(13%)
Workovers	0.07	0.10	(0.03)	(30%)	0.05	0.09	(0.04)	(44%)
Stock-based compensation (non-cash)	0.02	0.02	—	—%	0.02	0.02	—	—%
Total direct operating expenses	<u>\$ 0.77</u>	<u>\$ 1.02</u>	<u>\$ (0.25)</u>	(25%)	<u>\$ 0.87</u>	<u>\$ 1.03</u>	<u>\$ (0.16)</u>	(16%)

Production and ad valorem taxes are paid based on market prices and not hedged prices. For the third quarter, these taxes decreased \$7.6 million or 50% from the same period of the prior year due to the significant decline in wellhead prices. On a per mcfe basis, production and ad valorem taxes decreased to \$0.19 in third quarter 2009 from \$0.43 in the same period of 2008 primarily due to a 66% decrease in pre-hedge prices. For the first nine months of 2009, these taxes decreased \$21.7 million or 48% from the same period of the prior year due to the significant decline in pre-hedge prices, which declined 64%.

General and administrative expense for third quarter 2009 increased \$5.9 million from the same period of the prior year due primarily to higher salaries and benefits (\$2.4 million) reflecting salary increases and an increase in the number of employees as we continue the expansion of our Marcellus Shale team, higher stock-based compensation (\$2.0 million) and higher office expenses, including rent and information technology. Third quarter 2009 also includes \$840,000 (\$0.02 per mcfe) accrued severance costs related to the closing of our Houston office and \$1.1 million (\$0.03 per mcfe) bad debt expense. We have increased our employee count by 3% from September 2008. General and administrative expense for the nine months ended September 30, 2009 increased \$18.6 million or 28% from the same period of the prior year due primarily to higher salaries and benefits (\$10.3 million), higher stock-based compensation (\$5.6 million) and higher office expenses, including rent costs and an increase in legal expenses. Stock-based compensation included in this category represents amortization of restricted stock grants and expense related to SAR grants. The following table summarizes general and administrative expenses per mcfe for the three and nine months ended September 30, 2009 and 2008:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
General and administrative	\$ 0.57	\$ 0.53	\$ 0.04	8%	\$ 0.53	\$ 0.47	\$ 0.06	13%
Stock-based compensation (non-cash)	0.19	0.16	0.03	19%	0.19	0.16	0.03	19%
Total general and administrative expenses	<u>\$ 0.76</u>	<u>\$ 0.69</u>	<u>\$ 0.07</u>	10%	<u>\$ 0.72</u>	<u>\$ 0.63</u>	<u>\$ 0.09</u>	14%

Interest expense for third quarter 2009 increased \$5.3 million from the same period of the prior year to \$30.6 million due to the refinancing of certain debt from floating to higher fixed rates combined with higher overall debt balances. In May 2009, we issued \$300.0 million of 8.0% senior subordinated notes due 2019, which added \$6.0 million of interest costs in third quarter 2009. The proceeds from the issuance were used to retire lower floating interest rate bank debt, to better match the maturities of our debt with the life of our properties and to give us greater liquidity for the near term. Average debt outstanding on the bank credit facility for third quarter 2009 was \$430.7 million compared to \$384.6 million for the same period of the prior year and the weighted average interest rates were 2.2% in third quarter 2009 compared to 4.3% in the same period of the prior year. Interest expense for the nine months ended September 30, 2009 increased \$14.5 million or 20% also due to the refinancing of certain debt from floating to higher fixed rates and higher overall debt balances. Average debt outstanding on the bank credit facility for the first nine months of 2009 was \$644.5 million compared to \$425.5 million for the first nine months of 2008 and the weighted average interest rate was 2.5% in the first nine months 2009 compared to 4.7% in the same period of 2008.

Depletion, depreciation and amortization (“DD&A”) increased \$20.5 million, or 27%, to \$97.2 million in third quarter 2009 with a 13% increase in production and an 12% increase in depletion rates. On a per mcfe basis, DD&A increased from \$2.15 in third quarter 2008 to \$2.42 in third quarter 2009. In the first nine months of 2009, DD&A increased \$51.3 million to \$270.2 million with a 13% increase in production and an 9% increase in depletion rates. The increase in DD&A per mcfe is primarily due to significant early stage exploratory and development costs associated with our shale plays and the mix of our production. We generally adjust our D,D&A rates in the fourth quarter of each year. The following table summarizes DD&A expenses per mcfe for the three months and the nine months ended September 30, 2009 and 2008:

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	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
Depletion and amortization	\$ 2.26	\$ 2.01	\$ 0.25	12%	\$ 2.15	\$ 1.97	\$ 0.18	9%
Depreciation	0.12	0.11	0.01	9%	0.12	0.10	0.02	20%
Accretion and other	0.04	0.03	0.01	33%	0.04	0.04	—	—%
Total DD&A expense	<u>\$ 2.42</u>	<u>\$ 2.15</u>	<u>\$ 0.27</u>	13%	<u>\$ 2.31</u>	<u>\$ 2.11</u>	<u>\$ 0.20</u>	9%

Our total operating expenses also include other expenses that generally do not trend with production. These expenses include stock-based compensation, exploration expense, abandonment and impairment of unproved properties and deferred compensation plan expenses. In the three months and the nine months ended September 30, 2009 and 2008, stock-based compensation represents the amortization of restricted stock grants and expenses related to SAR grants. In third quarter 2009, stock-based compensation is a component of direct operating expense (\$798,000), exploration expense (\$979,000) and general and administrative expense (\$7.5 million) for a total of \$9.5 million. In third quarter 2008, stock-based compensation was a component of direct operating expense (\$762,000), exploration expense (\$1.0 million) and general and administrative expense (\$5.5 million) for a total of \$7.4 million. In the nine months ended September 30, 2009, stock-based compensation is a component of directing operating expense (\$2.4 million), exploration expense (\$2.9 million) and general and administrative expense (\$22.7 million) for a total of \$28.7 million. In the nine months ended September 30, 2008, stock based compensation is a component of direct operating expense (\$2.1 million) exploration expense (\$3.1 million) and general and administrative expense (\$17.1 million) for a total of \$22.6 million.

Exploration expense decreased \$8.0 million in third quarter 2009 primarily due to lower seismic costs. Exploration expense declined \$19.4 million in the first nine months 2009 due to lower dry hole and seismic costs. The following table details our exploration-related expenses for the three months and the nine months ended September 30, 2009 and 2008 (in thousands):

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2009	2008	Change	%	2009	2008	Change	%
Dry hole expense	\$ 212	\$ 81	\$ 131	162%	\$ 343	\$ 9,337	\$ (8,994)	(96%)
Seismic	6,267	14,090	(7,823)	(56%)	20,182	30,616	(10,434)	(34%)
Personnel expense	2,727	2,736	(9)	—%	8,432	8,291	141	2%
Stock-based compensation expense	979	1,020	(41)	(4%)	2,933	3,128	(195)	(6%)
Delay rentals and other	917	1,222	(304)	(25%)	3,919	3,832	88	2%
Total exploration expense	<u>\$ 11,102</u>	<u>\$ 19,149</u>	<u>\$ (8,046)</u>	(42%)	<u>\$ 35,809</u>	<u>\$ 55,204</u>	<u>\$ (19,394)</u>	(35%)

Abandonment and impairment of unproved properties expense was \$24.1 million and \$84.6 million during the three and nine months ended September 30, 2009 as compared to \$5.1 million and \$10.7 million during the same respective periods of 2008. In the first nine months of 2009, abandonment and impairment expense of \$84.6 million includes the expiration of certain Barnett Shale leases. We continue to experience increases in lease expirations and impairment expenses caused by (1) current economic conditions, which have impacted our future drilling plans thereby increasing the amount of expected lease expirations and (2) the expansion of our unproved property positions in new shale plays.

Deferred compensation plan expense was \$16.4 million in the third quarter 2009 compared to income of \$37.5 million in the same period of the prior year. Our stock price increased from \$41.41 at June 30, 2009 to \$49.36 at September 30, 2009. During the same period in the prior year, our stock price decreased from \$65.54 at June 30, 2008 to \$42.87 at September 30, 2008. This non-cash expense relates to the increase or decrease in value of the liability associated with our common stock that is vested and held in the deferred compensation plan. Our deferred compensation liability is adjusted to fair value by a charge or a credit to deferred compensation plan expense. Deferred compensation expense for the nine months ended September 30, 2009 was \$29.6 million compared to income of \$9.4 million in the same period of the prior year. Our stock price increased from \$34.39 at December 31, 2008 to \$49.36 at September 30, 2009. During the same nine-month period of 2008, our stock price decreased from \$51.36 at December 31, 2007 to \$42.87 at September 30, 2008.

Income tax (benefit) expense for third quarter 2009 decreased to a benefit of \$15.3 million from expense of \$172.6 million in third quarter 2008, reflecting a 110% decrease in income from operations before taxes compared to the same period of 2008. Third quarter 2009 provided for a tax benefit at an effective rate of 33.9% compared to tax expense at an effective rate of 37.7% in the same period of 2008. Current income taxes in third quarter 2009 and the nine months ended September 30, 2009 are related to state income taxes and include a \$1.0 million federal income tax refund. Income tax benefit for the nine months ended September 30, 2009, decreased from an expense of \$156.8 million to a benefit of \$19.0 million reflecting a 114% decline in income from operations before taxes when compared to the same period of 2008. We expect our effective tax rate to be approximately 36% for 2009.

Liquidity and Capital Resources

Our main sources of liquidity and capital resources are internally generated cash flow from operations, a bank credit facility with both uncommitted and committed availability, asset sales and access to both the debt and equity capital markets. In a continuing effort to mitigate the effect of the deterioration in the capital markets and the decline in oil and gas commodity prices, which began in mid 2008, we have taken additional measures during the first nine months of 2009 to enhance our liquidity. In May 2009 we issued \$300.0 million of 8.0% senior subordinated notes due 2019 at a discount. We used the \$285.2 million of proceeds received from the issuance of the 8.0% senior subordinated notes to repay outstanding bank debt, increasing the availability of our credit line. Also in 2009, we entered into commodity derivative contracts covering 61.9 Bcf for the 2010 year at weighted average floor and cap prices of \$5.50 to \$7.47 per mcf to protect our cash flow. We also sold certain West Texas oil properties for proceeds of \$182.0 million with the proceeds used to repay outstanding bank debt. We currently estimate our 2009 capital spending will approximate \$740.0 million, excluding acquisitions, which incorporates significantly reduced spending in all areas except our Marcellus Shale play. As part of our semi-annual bank review completed September 30, 2009, our borrowing base and facility amounts were reaffirmed at \$1.5 billion and \$1.25 billion.

During the nine months ended September 30, 2009, our cash provided from operating activities was \$443.8 million and we spent \$447.3 million on capital expenditures and \$118.7 million of acreage purchases. We sold certain West Texas oil properties for proceeds of \$182.0 million. At September 30, 2009, we had \$859,000 in cash, total assets of \$5.4 billion and a debt-to-capitalization ratio of 42.8%. Long-term debt at September 30, 2009 totaled \$1.8 billion including \$398.0 million of bank credit facility debt and \$1.4 billion of senior subordinated notes. Available committed borrowing capacity under the bank credit facility at September 30, 2009 was \$852.0 million.

Cash is required to fund capital expenditures necessary to offset inherent declines in production and proven reserves, which is typical in the capital-intensive oil and gas industry. Future success in growing reserves and production will be highly dependent on capital resources available and the success of finding or acquiring additional reserves. We believe that net cash generated from operating activities, unused committed borrowing capacity under the bank credit facility and proceeds from asset sales will be adequate to satisfy near-term financial obligations and liquidity needs. However, long-term 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. Sustained lower oil and gas prices or a reduction in production and reserves would reduce our ability to fund capital expenditures, reduce debt, meet financial obligations and remain profitable. We currently have approximately 48% of our 2010 production subject to hedging agreements. We operate in an environment with numerous financial and operating risks, including, but not limited to, the inherent risks of the search for, development and production of oil and gas, the ability to buy properties and sell production at prices, which provide an attractive return and the highly competitive nature of the industry. Our ability to expand our reserve base is, in part, dependent on obtaining sufficient capital through internal cash flow, bank borrowings, asset sales or the issuance of debt or equity securities. There can be no assurance that internal cash flow and other capital sources will provide sufficient funds to maintain capital expenditures that we believe are necessary to offset inherent declines in production and proven reserves.

Our opinions concerning liquidity and our ability to avail ourselves in the future of the financing options mentioned in the above forward-looking statements are based on currently available information. If this information proves to be inaccurate, future availability of financing may be adversely affected. Factors that affect the availability of financing include our performance, the state of the worldwide debt and equity markets, investor perceptions and expectations of past and future performance, the global financial climate and, in particular, with respect to borrowings, the level of our working capital or outstanding debt and credit ratings by rating agencies.

Credit Arrangements

On September 30, 2009, the bank credit facility had a \$1.5 billion borrowing base and a \$1.25 billion facility amount. The borrowing base represents an amount approved by the bank group that can be borrowed based on our assets, while our \$1.25 billion facility amount is the amount the banks have committed to fund pursuant to the credit agreement. The bank credit facility provides for a borrowing base subject to redeterminations semi-annually each April and October and for event-driven unscheduled redeterminations. Remaining credit availability is \$829.0 million on October 20, 2009. Our bank group is comprised of twenty-six commercial banks, with no one bank holding more than 5.0% of the bank credit facility. We believe our large number of banks and relatively low hold levels allow for significant lending capacity should we elect to increase our \$1.25 billion commitment up to the \$1.5 billion borrowing base and also allow for flexibility should there be additional consolidation within the banking sector.

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Our bank credit facility and our indentures governing our senior subordinated notes all contain covenants that, among other things, limit our ability to pay dividends, incur additional indebtedness, sell assets, enter into hedging contracts change the nature of our business or operations, merge or consolidate or make certain investments. In addition, we are required to maintain a ratio of debt to EBITDAX (as defined in the credit agreement) of no greater than 4.0 to 1.0 and a current ratio (as defined in the credit agreement) of no less than 1.0 to 1.0. We were in compliance with these covenants at September 30, 2009. Please see Note 8 to our consolidated financial statements for additional information.

Cash Flow

Cash flows from operations primarily are affected by production and commodity prices, net of the effects of settlements of our derivatives. Our cash flows from operating activities also are impacted by changes in working capital. We sell substantially all of our oil and gas production at the wellhead under floating market contracts. However, we generally hedge a substantial, but varying, portion of our anticipated future oil and gas production for the next 12 to 24 months. Any payments due to counterparties under our derivative contracts should ultimately be funded by higher prices received from the sale of our production. Production receipts, however, often lag payments to the counterparties. Any interim cash needs are funded by borrowing under the credit facility. As of September 30, 2009, we have entered into hedging agreements covering 27.4 Bcfe for 2009 and 61.9 Bcfe for 2010.

Net cash provided from operating activities for the nine months ended September 30, 2009 was \$443.8 million compared to \$600.4 million in the nine months ended September 30, 2008. Cash flow from operating activities for the first nine months of 2009 was lower than same period of the prior year, as higher production from development activity was more than offset by lower prices. Net cash provided from continuing operations is also affected by working capital changes or the timing of cash receipts and disbursements. Changes in working capital (as reflected in the consolidated statement of cash flows) in the nine months ended September 30, 2009 was a negative \$11.1 million compared to a negative \$45.8 million in the same period of the prior year.

Net cash used in investing for the nine months ended September 30, 2009 was \$385.1 million compared to \$1.4 billion in the same period of 2008. The first nine months of 2009 included \$425.4 million of additions to oil and gas properties and \$118.7 million of acreage purchases offset by proceeds of \$182.2 million from asset sales. Acquisitions for the first nine months of 2009 include the purchase of certain Marcellus Shale leasehold acreage for \$77.4 million and Barnett Shale acreage for \$14.1 million. The first nine months of 2008 included \$646.4 million of additions to oil and gas properties and \$805.4 million of acreage purchases and other investments, offset by proceeds of \$66.7 million from asset sales.

Net cash used in financing for the nine months ended September 30, 2009 was \$58.6 million compared to net cash provided from financing activities of \$783.6 million in the first nine months of 2008. The prior year included net proceeds from a public stock offering of \$282.2 million. In the first nine months of 2009, we borrowed \$582.0 million under our bank credit facility compared to borrowings of \$1.2 billion in the same period of the prior year. During the first nine months of 2009, total debt decreased \$9.2 million. In the first nine months of 2008, total debt increased \$496.8 million.

Dividends

On September 1, 2009, the Board of Directors declared a dividend of four cents per share (\$6.3 million) on our common stock, which was paid on September 30, 2009 to stockholders of record at the close of business on September 15, 2009.

Capital Requirements, Contractual Cash Obligations and Off-Balance Sheet Arrangements

We currently estimate our 2009 capital spending will approximate \$740.0 million (excluding proved property acquisitions) and based on current projections, is expected to be funded with internal cash flow and property sales. We may, from time to time during 2009, make borrowings under our credit facility but expect that for all of 2009 to require no significant incremental borrowing from ending 2008 levels. Acreage purchases during the year include \$77.4 million of purchases in the Marcellus Shale and \$14.1 million in the Barnett Shale which were funded with borrowings under the credit facility. In addition, in second and third quarter 2009, we issued 474,572 shares of stock to purchase \$20.5 million of additional Marcellus acreage. For the nine months ended September 30, 2009, \$453.1 million of development and exploration spending was funded with internal cash flow and proceeds from asset sales. We monitor our capital expenditures on a regular basis, adjusting the amount up or down and between our operating regions, depending on commodity prices, cash flow and projected returns. Also, our obligations may change due to acquisitions, divestitures and continued growth. We may sell assets, issue subordinated notes or other debt securities, or issue additional shares of stock to fund capital expenditures or acquisitions, extend maturities or repay debt.

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Our contractual obligations include long-term debt, operating leases, drilling commitments, derivative obligations, transportation commitments and other liabilities. Since December 31, 2008, the material changes to our contractual obligations included the issuance of \$300.0 million of 8.0% senior subordinated notes due 2019 and an increase in our transportation commitments (see table and discussion below).

We have entered into firm transportation contracts with various pipelines. Under these contracts, we are obligated to transport minimum daily gas volumes, as calculated on a monthly basis, or pay for any deficiencies at a specified reservation fee rate. As of September 30, 2009, future minimum transportation fees under our gas transportation commitments were as follows (in thousands):

2009 remaining	\$ 8,891
2010	34,663
2011	34,180
2012	31,220
2013	30,349
2014	27,070
Thereafter	207,240
	<u>\$ 373,613</u>

Other Contingencies

We are involved in various legal actions and claims arising in the ordinary course of business. We believe the resolution of these proceedings will not have a material adverse effect on our liquidity or consolidated financial position.

Hedging — Oil and Gas Prices

We use commodity-based derivative contracts to manage exposure to commodity price fluctuations. We do not enter into these arrangements for speculative or trading purposes. These contracts consist of collars and fixed price swaps. We do not utilize complex derivatives such as swaptions, knockouts or extendable swaps. Reducing our exposure to price volatility helps ensure that we have adequate funds available for our capital program. Our decision on the quantity and price at which we choose to hedge our future production is based in part on our view of current and future market conditions. In light of current worldwide economic uncertainties, we recently have employed a strategy to hedge a portion of our production looking out 12 to 15 months from each quarter. At September 30, 2009, we had open swap contracts covering 7.1 Bcf of gas at prices averaging \$8.16 per mcf. We also have collars covering 78.9 Bcf of gas at weighted average floor and cap prices of \$5.96 and \$7.70 per mcf and 0.6 million barrels of oil at weighted average floor and cap prices of \$63.43 and \$76.01 per barrel. Their fair value, represented by the estimated amount that would be realized upon termination, based on a comparison of contract prices and a reference price, generally NYMEX, on September 30, 2009 was a net unrealized pre-tax gain of \$80.5 million. The contracts expire monthly through December 2010. Settled transaction gains and losses for derivatives that qualify for hedge accounting are determined monthly and are included as increases or decreases in oil and gas sales in the period the hedged production is sold. In the first nine months of 2009, oil and gas sales included realized hedging gains of \$158.8 million compared to losses of \$86.0 million in the first nine months of 2008.

At September 30, 2009, the following commodity derivative contracts were outstanding:

<u>Period</u>	<u>Contract Type</u>	<u>Volume Hedged</u>	<u>Average Hedge Price</u>
Natural Gas			
2009	Swaps	76,739 Mmbtu/day	\$ 8.16
2009	Collars	184,837 Mmbtu/day	\$ 7.64-\$8.53
		169,671	
2010	Collars	Mmbtu/day	\$ 5.50-\$7.47
Crude Oil			
2009	Collars	6,000 bbl/day	\$63.43-\$76.01

Some of our derivatives do not qualify for hedge accounting but provide an economic hedge of our exposure to commodity price risk associated with anticipated future oil and gas production. These contracts are accounted for using the mark-to-market accounting method. Under this method, the contracts are carried at their fair value on our balance sheet under the captions "Unrealized derivative gains and losses." We recognize all unrealized and realized gains and losses related to these contracts in our consolidated statement of operations caption called "Derivative fair value income (loss)." As of September 30, 2009, derivatives on 21.7 Bcfe no longer qualify or are not designated for hedge accounting.

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In addition to the swaps and collars above, we have entered into basis swap agreements that do not qualify for hedge accounting and are marked to market. The price we receive for our production can be less than NYMEX price because of adjustments for delivery location (“basis”), relative quality and other factors; therefore, we have entered into basis swap agreements that effectively fix the basis adjustments. The fair value of the basis swaps was a net unrealized pre-tax loss of \$16.9 million at September 30, 2009.

Interest Rates

At September 30, 2009, we had \$1.8 billion of debt outstanding. Of this amount, \$1.4 billion bore interest at fixed rates averaging 7.4%. Bank debt totaling \$398.0 million bears interest at floating rates, which averaged 2.2% at September 30, 2009. The 30-day LIBOR rate on September 30, 2009 was 0.2%.

Debt Ratings

We receive debt credit ratings from Standard & Poor’s Ratings Group, Inc. (“S&P”) and Moody’s Investor Services, Inc. (“Moody’s”), which are subject to regular reviews. S&P’s rating for us is BB with a stable outlook. Moody’s rating for us is Ba2 with a stable outlook. We believe that S&P and Moody’s consider many factors in determining our ratings including: production growth opportunities, liquidity, debt levels, asset, and proved reserve mix. A reduction in our debt ratings could negatively impact our ability to obtain additional financing or the interest rate, fees and other terms associated with such additional financing.

Inflation and Changes in Prices

Our revenues, the value of our assets, our ability to obtain bank loans or additional capital on attractive terms have been and will continue to be affected by changes in oil and gas prices and the costs to produce our reserves. Oil and gas prices are subject to fluctuations that are beyond our ability to control or predict. During third quarter 2009, we received an average of \$63.38 per barrel of oil and \$2.87 per mcf of gas before derivative contracts compared to \$113.91 per barrel of oil and \$9.72 per mcf of gas in the same period of the prior year. During the first nine months of 2009, we received an average of \$51.26 per barrel of oil and \$3.13 per mcf of gas before derivative contracts compared to \$109.95 per barrel and \$9.23 per mcf in the first nine months of the prior year. Although certain of our costs are affected by general inflation, inflation does not normally have a significant effect on our business. In a trend that began in 2004 and continued through the first six months of 2008, commodity prices for oil and gas increased significantly. The higher prices led to increased activity in the industry and, consequently, rising costs. These cost trends put pressure not only on our operating costs but also on capital costs. The last half of 2008 and the first nine months of 2009 we have experienced declines in commodity prices and while we have realized some cost savings, operating costs have not decreased at the same rate as commodity prices. We expect to see further cost reductions in 2009 but we are uncertain how quickly costs will decline and by how much.

Accounting Standards Not Yet Adopted

In December 2008, the SEC announced that it had approved revisions to its oil and gas reporting disclosures. The new disclosure requirements include provisions that:

- Introduce a new definition of oil and gas producing activities. This new definition allows companies to include in their reserve base volumes from unconventional resources. Such unconventional resources include bitumen extracted from oil sands and oil and gas extracted from coal beds and shale formations.
- Require companies to report oil and gas reserves using an unweighted average price using the prior 12-month period, based on the closing prices on the first day of each month, rather than year-end prices. The SEC indicated they will continue to communicate with the FASB staff to align FASB’s accounting standards with these rules. The FASB currently requires a single-day, year-end price for accounting purposes.
- Permit companies to disclose their probable and possible reserves on a voluntary basis. In the past, proved reserves were the only reserves allowed in the disclosures.
- Require companies to provide additional disclosure regarding the aging of proved undeveloped reserves.
- Permit the use of reliable technologies to determine proved reserves if those technologies have been demonstrated empirically to lead to reliable conclusions about reserves volumes.
- Replace the existing “certainty” test for areas beyond one offsetting drilling unit from a productive well with a “reasonable certainty” test.

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- Require additional disclosures regarding the qualifications of the chief technical person who oversees the company's overall reserve estimation process. Additionally, disclosures regarding internal controls over reserve estimation, as well as a report addressing the independence and qualifications of its reserves preparer or auditor will be mandatory.

We will begin complying with the disclosure requirements in our annual report on Form 10-K for the year ending December 31, 2009. The new rules may not be applied to disclosures in quarterly reports prior to the first annual report in which the revised disclosures are required. We are currently in the process of evaluating the new requirements.

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 our 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 indicators of expected future losses, but rather indicators of reasonably possible losses. This forward-looking information provides indicators of how we view and manage our ongoing market-risk exposures. All of our market-risk sensitive instruments were entered into for purposes other than trading. All accounts are U.S. dollar denominated.

Financial Market Risk

The debt and equity markets have exhibited adverse conditions since late 2007. The unprecedented volatility and upheaval in the capital markets may increase costs associated with issuing debt instruments due to increased spreads over relevant interest rate benchmarks and affect our ability to access those markets. At this point, we do not believe our liquidity has been materially affected by the recent events in the global markets and we do not expect our liquidity to be materially impacted in the near future. We will continue to monitor our liquidity and the capital markets. Additionally, we will continue to monitor events and circumstances surrounding each of our twenty-six lenders in the bank credit facility.

Market Risk

Our major market risk is exposure to oil and gas prices. Realized prices are primarily driven by worldwide prices for oil and spot market prices for North American gas production. Oil and gas prices have been volatile and unpredictable for many years.

Commodity Price Risk

We periodically enter into derivative arrangements with respect to our oil and gas production. These arrangements are intended to reduce the impact of oil and gas price fluctuations. Certain of our derivatives are swaps where we receive a fixed price for our production and pay market prices to the counterparty. Our derivatives program also includes collars, which establish a minimum floor price and a predetermined ceiling price. Historically, we applied hedge accounting to derivatives utilized to manage price risk associated with our oil and gas production. Accordingly, we recorded change in the fair value of our swap and collar contracts under the balance sheet caption “Accumulated other comprehensive income (loss)” and into oil and gas sales when the forecasted sale of production occurred. Any hedge ineffectiveness associated with contracts qualifying for and designated as a cash flow hedge is reported currently each period under our consolidated statement of operations caption “Derivative fair value income (loss).” Some of our derivatives do not qualify for hedge accounting but provide an economic hedge of our exposure to commodity price risk associated with anticipated future oil and gas production. These contracts are accounted for using the mark-to-market accounting method. Under this method, the contracts are carried at their fair value on our consolidated balance sheet under the captions “Unrealized derivative gains and losses.” We recognize all unrealized and realized gains and losses related to these contracts in our consolidated statement of operations under the caption “Derivative fair value income (loss).” Generally, derivative losses occur when market prices increase, which are offset by gains on the underlying physical commodity transaction. Conversely, derivative gains occur when market prices decrease, which are offset by losses on the underlying commodity transaction. Our derivative counterparties include thirteen financial institutions, eleven of which are in our bank group. Mitsui & Co. and J. Aron & Company are the two counterparties not in our bank group. At September 30, 2009, our net derivative asset includes a payable to J. Aron & Company of \$965,000 and a receivable from Mitsui & Co. for \$4.9 million. None of our derivative contracts have margin requirements or collateral provisions that would require funding prior to the scheduled cash settlement date.

As of September 30, 2009, we had swaps in place covering 7.1 Bcf of gas. We also had collars covering 78.9 Bcf of gas and 0.6 million barrels of oil. These contracts expire monthly through December 2010. The fair value, represented by the estimated amount that would be realized upon immediate liquidation as of September 30, 2009, approximated a net unrealized pre-tax gain of \$80.5 million.

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At September 30, 2009, the following commodity derivative contracts were outstanding:

<u>Period</u>	<u>Contract Type</u>	<u>Volume Hedged</u>	<u>Average Hedge Price</u>	<u>Fair Market Value</u> (in thousands)
Natural Gas				
2009	Swaps	76,739 Mmbtu/day	\$ 8.16	\$24,698
2009	Collars	184,837 Mmbtu/day	\$ 7.64-\$8.53	\$51,011
		169,671		
2010	Collars	Mmbtu/day	\$ 5.50-\$7.47	\$ 5,362
Crude Oil				
2009	Collars	6,000 bbl/day	\$63.43-\$76.01	\$ (618)

Other Commodity Risk

We are impacted by basis risk, caused by factors that affect the relationship between commodity futures prices reflected in derivative commodity instruments and the cash market price of the underlying commodity. Natural gas transaction prices are frequently based on industry reference prices that may vary from prices experienced in local markets. If commodity price changes in one region are not reflected in other regions, derivative commodity instruments may no longer provide the expected hedge, resulting in increased basis risk. In addition to the collars and swaps detailed above, we have entered into basis swap agreements, which do not qualify for hedge accounting and are marked to market. The price we receive for our gas production can be less than the NYMEX price because of adjustments for delivery location ("basis"), relative quality and other factors; therefore, we have entered into basis swap agreements that effectively fix the basis adjustments. The fair value of the basis swaps was a net realized pre-tax loss of \$16.9 million at September 30, 2009.

The following table shows the fair value of our swaps and collars and the hypothetical change in the fair value that would result from a 10% change in commodity prices at September 30, 2009. The hypothetical change in fair value would be a gain or loss depending on whether prices increase or decrease (in thousands):

	<u>Fair Value</u>	<u>Hypothetical Change</u> <u>in Fair Value</u>
Swaps	\$24,698	\$ 3,300
Collars	\$55,755	\$34,000

Interest rate risk. At September 30, 2009, we had \$1.8 billion of debt outstanding. Of this amount, \$1.4 billion bore interest at fixed rates averaging 7.4%. Senior bank debt totaling \$398.0 million bore interest at floating rates averaging 2.2%. A 1% increase or decrease in short-term interest rates would affect interest expense by approximately \$4.0 million per year.

Item 4. CONTROLS AND PROCEDURES

As required by Rule 13a-15(b) of the Exchange Act, we have evaluated, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Form 10-Q. Our disclosure controls and procedures are designed to provide reasonable assurance that the information required to be disclosed by us in reports that we file under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure and is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Based upon the evaluation, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures were effective as of September 30, 2009 at the reasonable assurance level.

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PART II — OTHER INFORMATION

Item 6. Exhibits

(a) EXHIBITS

<u>Exhibit Number</u>	<u>Description</u>
3.1	Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-Q (File No. 001-12209) as filed with the SEC on May 5, 2004, as amended by the Certificate of First Amendment to Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-Q (File No. 001-12209) as filed with the SEC on July 28, 2005) and the Certificate of Second Amendment to the Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1 to our Form 10-Q (File No. 001-12209) as filed with the SEC on July 24, 2007)
3.2	Amended and Restated By-laws of Range (incorporated by reference to Exhibit 3.1 to our Form 8-K (File No. 001-12209) as filed with the SEC on February 17, 2009)
10.1*	Eighth Amendment to the Third Amended and Restated Credit Agreement dated October 26, 2006 among Range (as borrower) and J.P.Morgan Chase Bank, N.A. and institutions named (therein) as lenders, J.P.Morgan Chase as Administrative Agent
31.1*	Certification by the Chairman and Chief Executive Officer of Range Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer of Range Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1**	Certification by the Chairman and Chief Executive Officer of Range Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2**	Certification by the Chief Financial Officer of Range Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	XBRL documents

* filed herewith

** furnished herewith

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 thereunto duly authorized.

Date: October 21, 2009

RANGE RESOURCES CORPORATION

By: /s/ ROGER S. MANNY

Roger S. Manny
Executive Vice President and Chief Financial Officer

Date: October 21, 2009

RANGE RESOURCES CORPORATION

By: /s/ DORI A. GINN

Dori A. Ginn
*Principal Accounting Officer and Vice President
Controller*

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Exhibit index

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101*	XBRL documents

* filed herewith

** furnished herewith

**EIGHTH AMENDMENT TO
THIRD AMENDED AND RESTATED CREDIT AGREEMENT**

THIS EIGHTH AMENDMENT TO THIRD AMENDED AND RESTATED CREDIT AGREEMENT (this "Amendment") is dated as of September 30, 2009, by and among RANGE RESOURCES CORPORATION, a Delaware corporation ("Borrower"), certain Subsidiaries of Borrower, as Guarantors, the Lenders party hereto, and JPMORGAN CHASE BANK, N.A., a national banking association, as Administrative Agent for the Lenders (in such capacity, "Administrative Agent").

WITNESSETH:

WHEREAS, Borrower, Guarantors, Administrative Agent and the Lenders entered into that certain Third Amended and Restated Credit Agreement dated as of October 25, 2006 (as amended by that certain First Amendment to Third Amended and Restated Credit Agreement dated March 12, 2007, as further amended by that certain Second Amendment to Third Amended and Restated Credit Agreement dated as of March 26, 2007, as further amended by that certain Third Amendment to Third Amended and Restated Credit Agreement dated as of October 22, 2007, as further amended by that certain Fourth Amendment to Third Amended and Restated Credit Agreement dated as of March 31, 2008, as further amended by that certain Fifth Amendment to Third Amended and Restated Credit Agreement dated as of October 21, 2008, as further amended by that certain Sixth Amendment to Third Amended and Restated Credit Agreement dated as of December 11, 2008, as further amended by that certain Seventh Amendment to Third Amended and Restated Credit Agreement dated as of March 27, 2009, and as further amended, modified and restated from time to time, the "Credit Agreement"), pursuant to which the Lenders made a revolving credit facility available to Borrower; and

WHEREAS, Borrower has requested that Administrative Agent and the Lenders (i) amend the Credit Agreement to permit the Borrower to incur additional unsecured Indebtedness and for certain other purposes as provided herein, and (ii) consent to the amendment and restatement of each Restricted Subsidiary's bylaws, operating agreement, company agreement or limited liability company agreement, as applicable, in substantially the forms attached as Annex 1 and Annex 2 hereto, and Administrative Agent and the Lenders have agreed to do so on and subject to the terms and conditions hereinafter set forth.

NOW, THEREFORE, the parties agree to amend the Credit Agreement as follows:

1. Definitions. Unless otherwise defined herein, all capitalized terms used herein shall have the same meanings ascribed to such terms in the Credit Agreement.

2. Amendments to Credit Agreement.

2.1 Additional Definition. Section 1.01 of the Credit Agreement shall be and it hereby is amended by inserting the following definition in appropriate alphabetical order:

"Eighth Amendment Effective Date" means September 30, 2009.

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2.2 Amended Definitions. The following definitions set forth in Section 1.01 of the Credit Agreement shall be and they hereby are amended in their respective entireties to read as follows:

“Aggregate Commitment” means the amount equal to the lesser of (i) the Maximum Facility Amount and (ii) the Borrowing Base then in effect; provided that notwithstanding anything to the contrary contained herein or in any other Loan Document, effective as of the Eighth Amendment Effective Date, the Aggregate Commitment shall be equal to \$1,250,000,000 until such time as the Aggregate Commitment is reduced or increased pursuant to the terms of this Agreement. The Aggregate Commitment may be reduced or increased pursuant to Section 2.02 and Section 2.03; provided that in no event shall the Aggregate Commitment exceed the Borrowing Base. If at any time the Borrowing Base is reduced below the Aggregate Commitment in effect prior to such reduction, the Aggregate Commitment shall be reduced automatically to the amount of the Borrowing Base in effect at such time.

“Indenture” means, collectively, (i) that certain Indenture dated as of July 21, 2003, by and between the Borrower, as issuer, certain of its Subsidiaries, as guarantors, and JPMorgan Chase Bank, N.A. (successor to Bank One, N.A.), as trustee, pursuant to which the Borrower issued the Senior Subordinated Notes, as amended and supplemented by that certain Supplemental Indenture dated as of June 22, 2004 and as further amended and supplemented from time to time as permitted under the terms thereof, (ii) that certain Indenture dated March 9, 2005, among the Borrower, as issuer, certain of its Subsidiaries, as guarantors, and J.P. Morgan Trust Company, National Association, as amended or supplemented from time to time as permitted under the terms hereof, (iii) that certain Indenture dated May 23, 2006, among the Borrower, as issuer, certain of its Subsidiaries, as guarantors, and J.P. Morgan Trust Company, National Association, as amended or supplemented from time to time as permitted under the terms hereof, (iv) that certain Indenture dated September 28, 2007, among the Borrower, as issuer, certain of its Subsidiaries, as guarantors, and The Bank of New York Trust Company, N.A., as amended or supplemented from time to time as permitted under the terms hereof, (v) that certain Indenture dated May 6, 2008, among the Borrower, as issuer, certain of its Subsidiaries, as guarantors, and The Bank of New York Trust Company, N.A., as amended or supplemented from time to time as permitted under the terms hereof, and (vi) that certain Indenture dated May 14, 2009, among the Borrower, as issuer, certain of its Subsidiaries, as guarantors, and The Bank of New York Mellon Trust Company, N.A., as amended or supplemented from time to time as permitted under the terms hereof.

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“Senior Subordinated Notes” means (i) the 7 3/8% Senior Subordinated Notes due 2013, issued pursuant to the Indenture, (ii) the 6 3/8% Senior Subordinated Notes due 2015, issued pursuant to the Indenture, (iii) the 7 1/2% Senior Subordinated Notes due 2016, issued pursuant to the Indenture, (iv) the 7 1/2% Senior Subordinated Notes due 2017, issued pursuant to the Indenture, (v) the 7 1/4% Senior Subordinated Notes due 2018, issued pursuant to the Indenture, (vi) the 8.0 % Senior Subordinated Notes due 2019, issued pursuant to the Indenture, and (vii) additional senior unsecured subordinated notes issued after the Eighth Amendment Effective Date and prior May 1, 2010; provided that (a) the terms of such Senior Subordinated Notes do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date that is six months after the Maturity Date, (b) the covenant, default and remedy provisions of such Senior Subordinated Notes are substantially on the same terms and conditions as the Indenture or are not materially more restrictive, taken as a whole, than those set forth in this Agreement, (c) the mandatory prepayment, repurchase and redemption provisions of such Senior Subordinated Notes are substantially on the same terms and conditions as the Indenture or are not materially more onerous or expansive in scope, taken as a whole, than those set forth in this Agreement, and (d) the subordination provisions set forth in such Senior Subordinated Notes are at least as favorable to the Secured Parties as the subordination provisions set forth in the Indenture.

“Senior Unsecured Notes” means senior unsecured notes issued after the Eighth Amendment Effective Date and prior to May 1, 2010; provided that (i) the terms of such Senior Unsecured Notes do not provide for any scheduled repayment, mandatory redemption or sinking fund obligation prior to the date that is six months after the Maturity Date, (ii) the covenant, default and remedy provisions of such Senior Unsecured Notes are substantially on the same terms and conditions as the Indenture (without giving effect to the subordination provisions) or are not materially more restrictive, taken as a whole, than those set forth in this Agreement and (iii) the mandatory prepayment, repurchase and redemption provisions of such Senior Unsecured Notes are substantially on the same terms and conditions as the Indenture (without giving effect to the subordination provisions) or are not materially more onerous or expansive in scope, taken as a whole, than those set forth in this Agreement.

2.3 Letters of Credit. Section 2.07(b) of the Credit Agreement shall be and it hereby is amended in its entirety to read as follows:

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the

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Borrower shall hand deliver or telecopy (or transmit by electronic communication, if arrangements for doing so have been approved by the Issuing Bank) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed \$150,000,000 and (ii) the Aggregate Credit Exposure shall not exceed the Aggregate Commitment. Notwithstanding the foregoing, the Issuing Bank shall not at any time be obligated to issue, amend, renew or extend any Letter of Credit if any Lender is at such time a Defaulting Lender hereunder, unless (x) the Borrower cash collateralizes such Defaulting Lender's portion of the total LC Exposure (calculated after giving effect to the issuance, amendment, renewal or extension of such Letter of Credit) in accordance with the procedures set forth in Section 2.07(j) or (y) the Issuing Bank has entered into arrangements satisfactory to the Issuing Bank in its sole discretion with the Borrower or such Defaulting Lender to eliminate the Issuing Bank's risk with respect to such Defaulting Lender's portion of the total LC Exposure.

2.4 Indebtedness Under the Senior Notes. Section 7.01(h) of the Credit Agreement shall be and it hereby is amended in its entirety to read as follows:

(h) unsecured Indebtedness under the Senior Notes in an aggregate principal amount not exceeding \$1,900,000,000 at any time outstanding and extensions, renewals, replacements and refinancings of any such Indebtedness that is unsecured and does not cause the aggregate principal amount of the Senior Notes to exceed the maximum principal amount permitted under this clause (h) as of the date of such extension, renewal, replacement or refinancing; and

2.5 Notices. Clause (ii) of Section 11.01(a) of the Credit Agreement shall be and it hereby is amended in its entirety to read as follows:

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(ii) if to the Administrative Agent or Issuing Bank, to JPMorgan Chase Bank, N.A., JPMorgan Loan Services, 10 South Dearborn St., 19th Floor, Chicago, Illinois 60603-2003, Telecopy No.: (312) 385-7098, Attention: Margaret Mamani (margaret.m.mamani@jpmchase.com), with a copy to JPMorgan Chase Bank, N.A., Mail Code TX1-2911, 2200 Ross Avenue, 3rd Floor, Dallas, Texas 75201, Facsimile No. (214) 965-3280, Attention: Kimberly A. Bourgeois, Senior Vice President (kimberly.a.bourgeois@jpmorgan.com); and

3. Reaffirmation of Borrowing Base and Aggregate Commitment. This Amendment shall constitute a notice of reaffirmation of the Borrowing Base pursuant to Section 3.04 of the Credit Agreement and Administrative Agent hereby notifies Borrower that, as of the Eighth Amendment Effective Date, the Borrowing Base shall continue to be \$1,500,000,000 until the next Redetermination of the Borrowing Base pursuant to Article III of the Credit Agreement. Additionally, notwithstanding anything to the contrary contained in the Credit Agreement or any other Loan Document, effective as of the Eighth Amendment Effective Date, the Aggregate Commitment shall continue to be \$1,250,000,000 until such time as the Aggregate Commitment is reduced or increased pursuant to the terms of the Credit Agreement.

4. Consent. The Administrative Agent and the Lenders (or at least the required percentage thereof) hereby consent to the amendment and restatement of each Restricted Subsidiary's bylaws, operating agreement, company agreement or limited liability company agreement, as applicable, in substantially the forms attached as Annex 1 and Annex 2 hereto.

5. Binding Effect. Except to the extent its provisions are specifically amended, modified or superseded by this Amendment, the Credit Agreement, as amended, and all terms and provisions thereof shall remain in full force and effect, and the same in all respects are confirmed and approved by the Borrower, the Guarantors and the Lenders.

6. Eighth Amendment Effective Date. This Amendment (including the amendments to the Credit Agreement contained in Section 2 of this Amendment and the consent contained in Section 4 of this Amendment) shall be effective upon the satisfaction of the conditions precedent set forth in Section 7 hereof.

7. Conditions Precedent. The obligations of Administrative Agent and the Lenders under this Amendment shall be subject to the following conditions precedent:

(a) Execution and Delivery. Borrower, each Guarantor, and the Lenders (or at least the required percentage thereof) shall have executed and delivered this Amendment and each other required document to Administrative Agent, all in form and substance satisfactory to the Administrative Agent.

(b) No Default. No Default shall have occurred and be continuing or shall result from the effectiveness of this Amendment.

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(c) Other Documents. The Administrative Agent shall have received such other instruments and documents incidental and appropriate to the transaction provided for herein as the Administrative Agent or its counsel may reasonably request, and all such documents shall be in form and substance satisfactory to the Administrative Agent.

8. Representations and Warranties. Each Credit Party hereby represents and warrants that (a) except to the extent that any such representations and warranties expressly relate to an earlier date, all of the representations and warranties contained in the Credit Agreement and in each Loan Document are true and correct as of the date hereof after giving effect to this Amendment, (b) the execution, delivery and performance by such Credit Party of this Amendment have been duly authorized by all necessary corporate, limited liability company or partnership action required on its part, and this Amendment and the Credit Agreement are the legal, valid and binding obligations of such Credit Party, enforceable against such Credit Party in accordance with their terms, except as their enforceability may be affected by the effect of bankruptcy, insolvency, reorganization, moratorium or other similar laws now or hereafter in effect relating to or affecting the rights or remedies of creditors generally, and (c) no Default or Event of Default has occurred and is continuing or will exist after giving effect to this Amendment.

9. Reaffirmation of Loan Documents. Any and all of the terms and provisions of the Credit Agreement and the Loan Documents shall, except as amended and modified hereby, remain in full force and effect. Each Credit Party hereby agrees that the amendments and modifications herein contained shall in no manner affect or impair the liabilities, duties and obligations of any Credit Party under the Credit Agreement and the other Loan Documents or the Liens securing the payment and performance thereof.

10. Counterparts. This Amendment may be executed in one or more counterparts and by different parties hereto in separate counterparts each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. Delivery of photocopies of the signature pages to this Amendment by facsimile or electronic mail shall be effective as delivery of manually executed counterparts of this Amendment.

11. Legal Expenses. Each Credit Party hereby agrees to pay all reasonable fees and expenses of special counsel to the Administrative Agent incurred by the Administrative Agent in connection with the preparation, negotiation and execution of this Amendment and all related documents.

12. WRITTEN CREDIT AGREEMENT. THE CREDIT AGREEMENT, AS AMENDED BY THIS AMENDMENT AND TOGETHER WITH THE OTHER LOAN DOCUMENTS, REPRESENTS THE FINAL AGREEMENT BETWEEN AND AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN AND AMONG THE PARTIES.

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13. Governing Law. This Amendment shall be construed in accordance with and governed by the law of the State of Texas.

14. Guarantors. The Guarantors hereby consent to the execution of this Amendment by the Borrower and reaffirm their guaranties of all of the obligations of the Borrower to the Lenders. Borrower and Guarantors acknowledge and agree that the renewal, extension and amendment of the Credit Agreement shall not be considered a novation of account or new contract but that all existing rights, titles, powers, and estates in favor of the Lenders constitute valid and existing obligations in favor of the Lenders. Borrower and Guarantors each confirm and agree that (a) neither the execution of this Amendment or any other Loan Document nor the consummation of the transactions described herein and therein shall in any way effect, impair or limit the covenants, liabilities, obligations and duties of the Borrower and the Guarantors under the Loan Documents, and (b) the obligations evidenced and secured by the Loan Documents continue in full force and effect. Each Guarantor hereby further confirms that it unconditionally guarantees to the extent set forth in the Credit Agreement the due and punctual payment and performance of any and all amounts and obligations owed to the Lenders under the Credit Agreement or the other Loan Documents.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties have caused this Amendment to the Credit Agreement to be duly executed as of the date first above written.

BORROWER:

RANGE RESOURCES CORPORATION

By: /s/ Roger S. Manny
Roger S. Manny,
Executive Vice President

GUARANTORS:

**AMERICAN ENERGY SYSTEMS, LLC
MOUNTAIN FRONT PARTNERS, LLC
RANGE ENERGY I, INC.
RANGE ENERGY SERVICES COMPANY
RANGE HOLDCO, INC.
RANGE OPERATING NEW MEXICO, INC.
RANGE OPERATING TEXAS, LLC
RANGE PRODUCTION COMPANY
RANGE RESOURCES — PINE MOUNTAIN, INC.**

By: /s/ Roger S. Manny
Roger S. Manny,
Executive Vice President of all of the foregoing Guarantors

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**RANGE RESOURCES — APPALACHIA, LLC
(f/k/a Great Lakes Energy Partners, L.L.C.)**

By: RANGE HOLDCO, INC., Its member
RANGE ENERGY I, INC., Its member

By: /s/ Roger S. Manny
Roger S. Manny,
Executive Vice President of each of the foregoing
members

**RANGE RESOURCES — MIDCONTINENT, LLC
(f/k/a Range Resources, L.L.C.)**

By: RANGE HOLDCO, INC., Its member

By: /s/ Roger S. Manny
Roger S. Manny,
Executive Vice President

RANGE TEXAS PRODUCTION, LLC

By: Range Energy I, Inc., Its Member

By: /s/ Roger S. Manny
Roger S. Manny,
Executive Vice President

REVC HOLDCO, LLC

By: Range Resources Corporation, Its member

By: /s/ Roger S. Manny
Roger S. Manny,
Executive Vice President

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JPMORGAN CHASE BANK, N.A., (successor by merger to Bank One, N.A. (Illinois)), as Administrative Agent and a Lender

By: /s/ Kimberly A. Bourgeois
Kimberly A. Bourgeois,
Senior Vice President

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BANK OF SCOTLAND plc, as a Lender

By: /s/ Karen Weich

Name: Karen Weich

Title: Vice President

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CALYON NEW YORK BRANCH, as a Syndicated
Agent and a Lender

By: /s/ Sharada Manne
Name: Sharada Manne
Title: Director

By: /s/ David Gurghigian
Name: David Gurghigian
Title: Managing Director

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COMPASS BANK, as a Lender

By: /s/ Christopher S. Parada

Name: Christopher S. Parada

Title: Senior Vice President

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

By: /s/ Jeffrey H. Rathkamp

Name: Jeffrey H. Rathkamp

Title: Managing Director

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FORTIS CAPITAL CORP., as a Documentation
Agent and a Lender

By: /s/ Michele Jones _____
Name: Michele Jones
Title: Director

By: /s/ Ilene Fowler _____
Name: Ilene Fowler
Title: Director

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NATIXIS (formerly Natexis Banques Populaires), as a Lender

By: /s/ Donovan C. Broussard

Name: Donovan C. Broussard

Title: Managing Director

By: /s/ Liana Tchernysheva

Name: Liana Tchernysheva

Title: Director

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COMERICA BANK, as a Lender

By: /s/ Peter L. Sefzik

Name: Peter L. Sefzik

Title: Senior Vice President

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CAPITAL ONE, N.A. (f/k/a Hibernia National Bank), as a Lender

By: /s/ Nancy M. Mak
Name: Nancy M. Mak
Title: Vice President

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AMEGY BANK N.A. (f/k/a Southwest Bank of Texas N.A.), as a Lender

By: /s/ W. Bryan Chapman

Name: W. Bryan Chapman

Title: Senior Vice President

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BMO CAPITAL MARKETS FINANCING, INC.
(f/k/a HARRIS NESBITT FINANCING, INC.),
as a Syndication Agent and a Lender

By: /s/ James V. Ducote
Name: James V. Ducote
Title: Director

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KEYBANK NATIONAL ASSOCIATION, as a
Lender

By: /s/ Angela McCracken

Name: Angela McCracken

Title: Senior Vice President

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WACHOVIA BANK, NATIONAL ASSOCIATION,
as a Lender

By: /s/ Charles D. Kirkham

Name: Charles D. Kirkham

Title: Senior Vice President

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UNION BANK, N.A., (f/k/a UNION BANK OF CALIFORNIA, N.A.)
as a Lender

By: /s/ Alison Fuqua _____
Name: Alison Fuqua
Title: Assistant Vice President

By: /s/ Jarrod Bourgeois _____
Name: Jarrod Bourgeois
Title: Vice President

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THE BANK OF NOVA SCOTIA, as a Lender

By: /s/ David G. Mills

Name: David G. Mills

Title: Managing Director

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THE FROST NATIONAL BANK, as a Lender

By: /s/ Alex Zemkoski

Name: Alex Zemkoski

Title: Vice President

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CITIBANK, N.A., as a Lender

By: /s/ James. F. Reilly, Jr.

Name: James. F. Reilly, Jr.

Title: Managing Director

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CREDIT SUISSE, Cayman Islands Branch,
as a Lender

By: /s/ Nupur Kumar
Name: Nupur Kumar
Title: Vice President

By: /s/ Kevin Buddhew
Name: Kevin Buddhew
Title: Associate

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SUNTRUST BANK, as a Lender

By: /s/ Yann Pirio

Name: Yann Pirio

Title: Director

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SOCIÉTÉ GÉNÉRALE, as a Lender

By: /s/ Stephen W. Warfel

Name: Stephen W. Warfel

Title: Managing Director

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U.S. BANK NATIONAL ASSOCIATION,
as a Lender

By: /s/ Daria Mahoney
Name: Daria Mahoney
Title: Vice President

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**DEUTSCHE BANK TRUST COMPANY AMERICAS, as a
Lender**

By: /s/ Anca Trifah
Name: Anca Trifah
Title: Director

By: /s/ Scottye Lindsey
Name: Scottye Lindsey
Title: Director

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STERLING BANK, as a Lender

By: /s/ Jeff A. Forbis

Name: Jeff A. Forbis

Title: Senior Vice President

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BARCLAYS BANK PLC,
as a Lender

By: /s/ Ann E. Sutton
Name: Ann E. Sutton
Title: Vice President

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ROYAL BANK OF CANADA,
as a Lender

By: /s/ Don J. McKinnerney _____

Name: Don J. McKinnerney

Title: Authorized Signatory

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BANK OF TEXAS, N.A.,
as a Lender

By: /s/ Mike Delbridge
Name: Mike Delbridge
Title: Senior Vice President

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Annex 1

Form of Amended and Restated Bylaws

Annex 1

AMENDED AND RESTATED BYLAWS

These Amended and Restated Bylaws are subject to, and governed by, the General Corporation Law of the State of Delaware (the “Delaware General Corporation Law”) and the certificate of incorporation (as the same may be amended and restated from time to time, the “Certificate of Incorporation”) of _____, a Delaware corporation (the “Corporation”).

ARTICLE I

Offices

Section 1.1 Registered Office. The registered office in the State of Delaware shall be in the City of Wilmington, County of New Castle, and the resident agent is The Corporation Trust Company. The registered office and registered agent of the Corporation shall be as designated from time to time by the appropriate filing by the Corporation in the office of the Secretary of State of the State of Delaware.

Section 1.2 Other Offices. The Corporation may also have offices at such other places both within and without the State of Delaware as the board of directors of the Corporation (the “Board”) may from time to time determine or the business of the Corporation may require.

ARTICLE II

Meetings of Stockholders

Section 2.1 Place of Meeting. All meetings of stockholders of the Corporation (“Stockholders”) for the election of directors of the Corporation (“Directors”) shall be held in the City of Fort Worth, Texas, or in such other places both within and without the State of Delaware as the Board may determine. The Board shall fix the place within Fort Worth, Texas for the holding of each meeting. Meetings of Stockholders for any other purpose may be held at such place, within or without the State of Delaware, and time as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof.

Section 2.2 Annual Meeting. The annual meeting of Stockholders (the “Annual Meeting”) shall be held at such date and time as the Board shall designate; *provided, however*, in lieu of the an Annual Meeting, the Stockholders may act pursuant to written consent as permitted by Section 2.15 of these Bylaws and the Delaware General Corporation Law. The meeting shall be held for the purpose of electing by a plurality vote a Board and transacting such other business as may properly be brought before the meeting. If the election of Directors is not held on the day designated for any Annual Meeting, or at any adjournment, the Board shall cause the election to be held at a special meeting of the Stockholders as soon thereafter as conveniently possible. Except as otherwise permitted by law, no Stockholder shall require or have the right to require the Board to call an Annual Meeting.

Section 2.3 Special Meeting. Special meetings of the Stockholders, for any purpose or purposes, unless otherwise prescribed by statute or by the Certificate of Incorporation, may be called by the Chairman of the Board, the President or the Board, and shall be called by the Chairman of the Board or the President, or by the Secretary at the request in writing of Stockholders owning a majority in amount of the entire capital stock of the Corporation issued and outstanding and entitled to vote. The request shall state the purpose of the proposed meeting. The persons calling or requesting any special meeting shall fix the time and any place, either within or without the State of Delaware, as the place for holding the meeting. The only business that can be transacted at a special meeting is that which is specifically stated in the notice of the meeting or in a duly executed waiver of notice of the meeting.

Section 2.4 Notice of Meeting. Written notice of the Annual Meeting, and each special meeting of Stockholders, stating, in the case of a special meeting, the time, place and the business to be transacted, shall be served upon, mailed to or otherwise given to each Stockholder entitled to vote, at least ten (10) days but not more than sixty (60) days before the date of the meeting. If notice is to be sent by mail, it shall be directed to each Stockholder at the address as it appears on the records of the Corporation, unless the Stockholder has filed with the Secretary of the Corporation a written request that notices to be mailed to some other address, in which case notice shall be sent to the other address. Notice of any meeting of Stockholders is not be required to be given to any Stockholder who attends the meeting in person or by proxy and, at the beginning of the meeting, does not object to the transaction of any business asserting the meeting is not lawfully called or convened, or who either before or after the meeting, submits a signed waiver of notice, in person or by proxy.

Section 2.5 Quorum. The holders of a majority of the stock issued and outstanding and entitled to vote, present in person or represented by proxy, shall constitute a quorum at any meeting of Stockholders for the transaction of business except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws. If a quorum is not present, in person or by proxy, at any meeting of Stockholders or any adjournment, the chairman of the meeting or a majority in interest of the Stockholders entitled to vote who are present, in person or by proxy, may adjourn the meeting from time to time, without notice other than announcement at the meeting (unless the Board, after the adjournment, fixes a new record date for the adjourned meeting), until a quorum is present, in person or by proxy. At any adjourned meeting at which a quorum is present, in person or by proxy, any business may be transacted that could have been transacted at the original meeting had a quorum been present; provided that, if the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each Stockholder of record entitled to vote at the adjourned meeting as provided in Section 2.4.

Section 2.6 Voting. When a quorum is present at any meeting of Stockholders, the vote of the holders of a majority of the stock having voting power present in person or represented by proxy shall decide any question brought before the meeting, unless the question is one upon which a different percentage of the vote is required by express provision of the applicable Delaware statutes, the Certificate of Incorporation or these Bylaws. The Stockholders present at a meeting constituted in accordance with these Bylaws may continue to transact business until adjournment, even if Stockholders leave the meeting and the Stockholders remaining are less than a quorum. Every Stockholder with the right to vote is entitled to vote in

person, or by proxy appointed by a written document signed by the Stockholder, on a date not more than eleven months prior to voting, unless the written document provides for a longer period, and filed with the Secretary of the Corporation at the time of, the meeting.

If the written proxy designates two or more persons to act as proxies, unless the instrument provides to the contrary, a majority of such persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then the powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, each proxy so attending shall be entitled to exercise the proxy's powers in respect of the same portion of the shares as he is of the proxies in attendance. Each Stockholder shall have one vote for each share of stock having voting power registered in his name on the books of the Corporation. Except where the transfer books of the Corporation shall have been closed or a date shall have been fixed as a record date for the determination of its Stockholders entitled to vote, no share of stock shall be voted at any election for Directors which has been transferred on the books of the Corporation within twenty (20) days preceding the election of Directors. No proxy shall be valid after three (3) years from the date of its execution, unless otherwise provided in the proxy. If no date is stated in a proxy, the proxy shall be presumed to have been executed on the date of the meeting at which it is first to be voted. Each proxy shall be revocable unless expressly provided therein to be irrevocable and coupled with an interest sufficient in law to support an irrevocable power or unless otherwise made irrevocable by law.

Section 2.7 Voting of Stock of Certain Holders. Shares standing in the name of another corporation, partnership, limited liability company or other entity, domestic or foreign, may be voted by such officer, agent or proxy as the governing documents of that entity may prescribe or, in the absence of such provision, as the board or other governing person or body of that entity may determine. Shares standing in the name of a deceased person may be voted by the executor or administrator of the deceased person, either in person or by proxy. Shares standing in the name of a guardian, conservator or trustee may be voted by such fiduciary, either in person or by proxy, but no such fiduciary shall be entitled to vote shares held in that fiduciary capacity without a transfer of the shares into the name of the fiduciary. Shares standing in the name of a receiver may be voted by the receiver. A Stockholder whose shares are pledged shall be entitled to vote those shares, unless in the transfer by the pledgor on the books of the Corporation he has expressly empowered the pledgee to vote the shares, in which case only the pledgee, or his proxy, may represent the shares and vote them.

Section 2.8 Treasury Stock. The Corporation shall not vote, directly or indirectly, shares of its own stock owned by it; and these shares shall not be counted in determining the total number of outstanding shares.

Section 2.9 Closing Transfer Books or Fixing Record Date. The Board may close the stock transfer books of the Corporation for a period not exceeding sixty (60) days preceding the date of any meeting of Stockholders, or the date for payment of any dividend or distribution, or the date for the allotment of rights or the date when any change, or conversion or exchange of capital stock shall go into effect or for a period not exceeding sixty (60) days in connection with obtaining the consent of Stockholders for any purpose. In lieu of closing the stock transfer books, the Board may fix in advance a date, not exceeding sixty (60) days preceding the date of any

meeting of Stockholders, or the date for payment of any dividend or distribution, or the date for the allotment of rights, or the date when any change, or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining written consent, as a record date for the determination of the Stockholders entitled to notice of, and to vote at, any meeting and any adjournment thereof, or entitled to receive payment of a dividend or distribution, or to any allotment of rights, or to exercise the rights in respect of any change, conversion or exchange of capital stock, or to give consent, and in each case those Stockholders and only those Stockholders as shall be Stockholders of record on the date so fixed shall be entitled to notice of the meeting to vote at the meeting or any adjournment thereof, or to receive payment of dividend or distribution, or to receive allotment of rights, or to exercise rights, or to give consent, as the case may be, notwithstanding any transfer of any stock on the books of the Corporation after any record date fixed as described above.

Section 2.10 Notice of Stockholder Business at Annual Meeting. At an Annual Meeting of the Stockholders, only such business shall be conducted as shall have been brought before the meeting (a) pursuant to the Corporation's notice of meeting, (b) by or at the direction of a majority of the members of the Board, or (c) by any Stockholder of the Corporation of record at the time of giving of notice provided for in these Bylaws who shall be entitled to vote at such meeting.

Section 2.11 Order of Business. The order of business at all meetings of Stockholders shall be as determined by the chairman of the meeting.

Section 2.12 Conduct of Meeting. The Chairman of the Board, if office has been filled, and, if not or if the Chairman of the Board is absent or otherwise unable to act, the President shall preside at all meetings of Stockholders. The Secretary shall keep the records of each meeting of Stockholders. In the absence or inability to act of any officer, the officer's duties shall be performed by the officer given the authority to act for such absent or non-acting officer under these Bylaws or by a person appointed by the meeting.

Section 2.13 Certain Rules of Procedure Relating to Stockholder Meetings. All Stockholder meetings, annual or special, shall be governed in accordance with the following rules:

(a) only Stockholders of record will be permitted to present motions from the floor at any meeting of Stockholders; and

(b) the chairman of the meeting shall preside over and conduct the meeting, and all questions of procedure or conduct of the meeting shall be decided solely by the chairman of the meeting. The chairman of the meeting shall have all power and authority vested in a presiding officer by law or practice to conduct an orderly meeting. Among other things, the chairman of the meeting shall have the power to adjourn or recess the meeting, to silence or expel persons to ensure the orderly conduct of the meeting, to declare motions or persons out of order, to prescribe rules of conduct and an agenda for the meeting, to impose reasonable time limits on questions and remarks by any Stockholder, to limit the number of questions a Stockholder may ask, to limit the nature of questions and comments to one subject matter at a time as dictated by any agenda for the meeting, to limit the number of speakers or persons addressing the chairman

of the meeting or the meeting, to determine when the polls shall be closed, to limit the attendance at the meeting to Stockholders of record, beneficial owners of stock who present letters from the record holders confirming their status as beneficial owners, and the proxies of record and beneficial holders, and to limit the number of proxies a Stockholder may name.

Section 2.14 Requests for Stockholder List. Stockholders shall have those rights afforded under Section 219 of the Delaware General Corporation Law to inspect a list of Stockholders during the ten (10) days preceding each meeting of Stockholders.

Section 2.15 Action without a Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Stockholders may be taken by written consent without meeting, in accordance with the applicable provisions of the Delaware General Corporation Law. Directors may be appointed by the written consent of the Stockholders in lieu of the Annual Meeting if (a) the Stockholders unanimously approve the written consent, or (b) all of the directorships to which the Directors would be elected at the Annual Meeting are vacant and are filled by the written consent.

ARTICLE III

Board of Directors

Section 3.1 Powers. The business and affairs of the Corporation shall be managed by its Board, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute, the Certificate of Incorporation or these Bylaws directed or required to be exercised or done by the Stockholders.

Section 3.2 Number, Election and Term. The number of Directors that constitutes the whole Board shall be not less than three (3) nor more than five (5). This number of Directors shall, from time to time, be fixed and determined by the Directors and shall be set forth in the notice of any meeting of Stockholders held for the purpose of electing Directors. Election of Directors need not be by ballot. Except as provided in Sections 2.15 and 3.3, the Directors shall be elected at the Annual Meeting of Stockholders at which a quorum is present by a plurality of the votes of the shares present in person or represented by proxy and entitled to vote on the election of directors or a class of directors. Each Director elected shall hold office until the Annual Meeting of Stockholders of the Corporation next succeeding his election or until his successor is duly elected and qualified or until his earlier resignation as a Director or resignation as an officer or employee of the Corporation, Range Resources Corporation or any other entity directly or indirectly owned or controlled by Range Resources Corporation, or his removal. Directors need not be residents of Delaware or Stockholders of the Corporation. Range Resources Corporation and all other entities directly or indirectly owned or controlled by it are collectively called the "Affiliates".

Section 3.3 Vacancies and Additional Directors. Any Director may resign at any time by written notice to the Corporation. Any resignation shall take effect at the date of receipt of notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. If any vacancy occurs in the Board caused by death, resignation, retirement, disqualification or removal from office of any Director, or otherwise, or if any new directorship is created by an increase in the authorized

number of Directors, a majority of the Directors then in office, though less than a quorum, may choose a successor or fill the newly created directorship; and a Director so chosen shall hold office until the next election of the class for which the Director shall have been chosen, and until his successor shall be duly elected and shall qualify, unless sooner displaced. No decrease in the number of Directors constituting the entire Board shall have the effect of shortening the term of any incumbent Director.

Section 3.4 Chairman of the Board. From time to time, the Board may appoint a Director to serve as Chairman of the Board and preside over all meetings of Stockholders and meetings of the Board. By virtue of this office, he shall be a member of the Executive Committee if that committee is created. The Chairman of the Board shall perform such duties as may be designated by the Board or the Executive Committee, but he shall not be deemed an officer of the Corporation by reason of being appointed Chairman of the Board.

Section 3.5 Regular Meeting. A regular meeting of the Board shall be held each year, without other notice than these Bylaws, at the place of, and immediately following, the Annual Meeting of Stockholders; and other regular meetings of the Board shall be held each year, at such time and place as the Board may provide, by resolution, either within or without the State of Delaware, without other notice than such resolution.

Section 3.6 Special Meeting. A special meeting of the Board may be called by the Chairman of the Board or by the President and shall be called by the Secretary on the written request of a majority of the Directors. The Chairman of the Board or President so calling, or the Directors so requesting, any such meeting shall fix the time and any place, either within or without the State of Delaware, as the place for holding the meeting.

Section 3.7 Notice of Special Meeting. Written notice of special meetings of the Board shall be given to each Director at least twenty-four (24) hours prior to the time of such meeting. Any Director may waive notice of any meeting.

Section 3.8 Quorum. A majority of the Board shall constitute a quorum for the transaction of business at any meeting of the Board, and the act of a majority of the Directors present at any meeting at which there is a quorum shall be the act of the Board, except as may be otherwise specifically provided by statute, by the Certificate of Incorporation or by these Bylaws. If a quorum shall not be present at any meeting of the Board, the Directors present may adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum shall be present. A majority of committee members shall constitute a quorum for the transaction of business at any meeting of a Board committee provided that fifty percent (50%) of the members of any committee of the Board shall constitute a quorum for transacting business at any meeting of such committee, if the committee is comprised of an even number of committee members.

Section 3.9 Action Without a Meeting. Unless otherwise restricted by the Certificate of Incorporation any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, as provided in Article IV of these Bylaws, may be taken without a meeting, if a written consent is signed by all of the members of the Board or of a committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board or committee.

Section 3.10 Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board at which action on any corporate matter is taken shall be conclusively presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward his dissent in the manner for giving the notice provided in Section 5.1 to the Secretary of the Corporation immediately after the adjournment of the meeting. This right to dissent shall not be available to a Director who voted in favor of an action.

Section 3.11 Compensation. Directors who are employees of the Corporation or any of the Affiliates shall not be entitled to any compensation for their services except for reimbursement of expenses of attendance, if any, for attendance at each regular or special meeting of the Board or any meeting of a committee of Directors. Directors who are not employees of the Corporation or any of the Affiliates shall be entitled to compensation as determined by the Board. No provision of these Bylaws shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation for those services.

ARTICLE IV Committee of Directors

Section 4.1 Designation, Powers and Name. The Board may, by resolution passed by a majority of the whole Board, designate one or more committees, with each committee to consist of two or more of the Directors of the Corporation. Committees shall have and may exercise such of the powers of the Board in the management of the business and affairs of the Corporation, as may be provided in the resolution, and may authorize the seal of the Corporation to be affixed to all papers which may require it; *provided, however*, no committee shall have the power denied to committees by the Certificate of Incorporation or the Delaware General Corporation Law. A committee or committees shall have such name or names and such limitations of authority as may be determined from time to time by resolution adopted by the Board. The Board may also designate a member of any committee to be the chairman thereof, and the chairman shall preside at the meetings of the committee and shall perform such other duties as may be designated by the Board.

Section 4.2 Routine Matters Committee. Notwithstanding anything in these Bylaws to the contrary, (a) the President and all other appointed officers of the Corporation who are also Directors shall be ex officio members of the Routine Matters Committee, a standing committee of the Board which shall exist to consider routine matters that may come before the Corporation, and (b) the quorum for any action of this committee shall be two-thirds (2/3) of the Directors serving on the Routine Matters Committee. This committee shall have the authority to adopt standard form resolutions with the same force and effect as if the resolutions were adopted by the Board, provided those resolutions relate to routine matters in the business of the Corporation, and the committee promptly causes a copy of those resolutions to be placed in the Corporation's minute book along with other minutes and

resolutions of the Board. As used in this Section 4.2, “routine matters that may come before the Corporation” shall include, but not be limited to, (w) the opening of checking, money market, securities brokerage, commodities trading, and other similar accounts; (x) qualifying the Corporation to transact business in another jurisdiction and the appointment of agents for service of process; (y) investing or hedging the Corporation’s assets and the execution and delivery of related contracts; and (z) any matters or transactions that relate to matters or transactions previously approved by the Board of Directors of Range Resources Corporation. The Board’s appointment of the President and any other Director(s) to be officer(s) of the Corporation shall automatically be appointment to this committee without further action.

Section 4.3 Minutes. Each committee of Directors shall keep regular minutes of its proceedings and report the same to the Board when required.

Section 4.4 Compensation. Members of a special or standing committee who are not employees of the Corporation or its affiliates may be allowed compensation for attending committee meetings, if the Board shall so determine.

Section 4.5 Reliance Upon Certain Statements, Etc. A Director serving on the Board or on any committee of the Board shall, in the performance of the Director’s duties, be fully protected in relying in good faith upon the records of the Corporation and upon information, opinions, reports or statements presented to the Corporation by any of its officers or employees or committees of the Board, or by any other person as to matters the Director reasonably believes are within the other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

ARTICLE V Notice

Section 5.1 Methods of Giving Notice. Whenever under the provisions of the statutes, the Certificate of Incorporation or these Bylaws notice is required to be given to any Director, member of any committee or Stockholder, and no provision is made as to how the notice shall be given, personal notice shall not be required and the notice shall be given in writing, (a) by hand delivery, (b) by mail, postage prepaid, addressed to such committee member, Director or Stockholder at his address as it appears on the books or (in the case of a Stockholder) the stock transfer records of the Corporation, or (c) by any other method permitted by law (including but not limited to electronic notice by email, overnight courier service, or telefax). Notice shall be deemed delivered upon the earlier of actual receipt or the next business day after being sent as provided in the this Section 5.1.

Section 5.2 Written Waiver. Whenever any notice is required to be given under the provisions of the statutes, the Certificate of Incorporation or these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to the notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a Stockholder, Director, or committee member at a meeting shall constitute a waiver of notice of the meeting, except where the person attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

ARTICLE VI
Officers

Section 6.1 Officers. The officers of the Corporation shall be a President, and a Secretary. The Board may appoint such other officers, including one or more Vice Presidents and a Treasurer, as it deems necessary, who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined by the Board. Any two or more offices, other than the offices of the President and Secretary, may be held by the same person. No officer shall execute, acknowledge, verify or countersign any instrument on behalf of the Corporation in more than one capacity, if that instrument is required by law, these Bylaws or any act of the Corporation to be executed, acknowledged, verified or countersigned by two or more officers. None of the other officers need be a Director, and none of the officers need be a Stockholder of the Corporation or a resident of the State of Delaware.

Section 6.2 Election and Term of Office. The officers of the Corporation may be elected from time to time by the Board. Each officer may be elected to hold office until his successor shall have been chosen and shall have qualified or until his death or the effective date of his resignation or removal, or until he shall cease to be an employee of the Corporation or any of the Affiliates.

Section 6.3 Removal and Resignation. Any officer or agent elected or appointed by the Board may be removed without cause by the affirmative vote of a majority of the Board, but removal shall be without prejudice to any separate contractual and other rights, if any, of the person so removed, including the right of indemnification for actions taken prior to removal and the advancing of expenses incurred in connection with any of the matters that may be entitled to indemnification. Any officer may resign at any time by giving notice to the Corporation. Any resignation shall take effect at the date of the receipt of such notice or at any later time specified therein, and, unless otherwise specified in the notice, the acceptance of such resignation shall not be necessary to make it effective.

Section 6.4 Vacancies. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise, may be filled by the Board.

Section 6.5 Salaries. The salaries of all officers and agents of the Corporation shall be fixed by the Board or pursuant to its direction and no officer shall be prevented from receiving such salary by reason of his also being a Director.

Section 6.6 President. The President shall be a member of the Board. By virtue of his office he shall be a member of the Executive Committee if such committee is created. In the absence of the Chairman of the Board (if such office is filled by the Board and it is not the same person as the President), the President shall preside at all meetings of the Board and the Stockholders. The President shall perform such duties as may be assigned to him by the Board, the Executive Committee or the Chairman of the Board (if the Chairman of the Board shall have been designated Chief Executive Officer).

Section 6.7 Chief Executive Officer. The President shall also serve as the Chief Executive Officer, and, subject to the control of the Board, shall be responsible for and control

the business and affairs of the Corporation. The Chief Executive Officer shall have the power to appoint and remove subordinate officers, agents and employees, except those elected or appointed by the Board. The Chief Executive Officer shall keep the Board and any Executive Committee fully informed and shall consult with them concerning the business of the Corporation. He may sign with the Secretary or any other officer of the Corporation thereunto authorized by the Board, certificates for shares of the Corporation and any deeds, bonds, mortgages, contracts, checks, notes, drafts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these Bylaws or by the Board to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed. He shall vote, or give a proxy to any other officer of the Corporation to vote, all shares of the stock of any other corporation standing in the name of the Corporation and in general he shall perform all other duties as usually appertain to the Chief Executive Officer and such other duties as may be prescribed by the Stockholders, the Board or the Executive Committee from time to time.

Section 6.8 Vice Presidents. The Vice Presidents shall perform such duties as from time to time may be assigned to them by the Chief Executive Officer, the Board or, if appointed, the Executive Committee. Any Vice President may sign with the Secretary or any other officer of the Corporation thereunto authorized by the Board, certificates for shares of the Corporation and any deeds, bonds, mortgages, contracts, checks, notes, drafts or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof has been expressly delegated by these Bylaws or by the Board to some other officer or agent of the Corporation, or shall be required by law to be otherwise executed.

Section 6.9 Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Stockholders, the Board, the Executive Committee and such other committees as the Board shall designate; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) keep or cause to be kept a register of the post office address of each Stockholder as furnished by the Stockholder; (d) sign with the President or a Vice-President certificates for shares of the Corporation, the issue of which shall have been authorized by resolution of the Board; (e) have general charge of the stock transfer books of the Corporation; and (f) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chief Executive Officer, the Board or the Executive Committee.

Section 6.10 Treasurer. The Treasurer shall: (a) oversee all funds and securities of the Corporation; (b) prepare, or cause to be prepared, such reports as shall be requested by the Directors, the Executive Committee or the Chief Executive Officer; and (c) in general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the Chief Executive Officer, the Board or the Executive Committee; *provided, however,* the Corporation's books and records may be kept by a Stockholder of the Corporation if needed to facilitate the preparation of consolidated financial statements that include the Corporation.

Section 6.11 Assistant Secretary or Treasurer. Any Assistant Secretaries and Assistant Treasurers shall, in general, perform such duties as shall be assigned to them by the Secretary or the Treasurer, respectively, or by the Chief Executive Officer, the Board or the

Executive Committee. The Assistant Secretaries and Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform all functions and duties which such absent officers may delegate, but this delegation shall not relieve the absent officer from the responsibilities and liabilities of his office. The Assistant Secretaries may sign with the President or any Vice President certificates for shares of the Corporation, the issue of which shall have been authorized by a resolution of the Board.

Section 6.12 No Employment Contract. Notwithstanding anything herein to contrary, nothing in these Bylaws create any right of continued employment or an employment contract with respect to any of the Corporation's Stockholders, Directors, officers, or employees.

ARTICLE VII

Contracts, Loans, Checks and Deposits

Section 7.1 Contracts. Any officer or officers is authorized to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation consistent with the established authorizations for that officer as shown in the records of the Corporation.

Section 7.2 Loans. No loans shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the President or a resolution of the Board (or a resolution of a committee of Directors pursuant to authority conferred upon the committee). This authorization may be general or confined to specific instances.

Section 7.3 Checks, etc. All checks, demands, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by an officer or officers of the Corporation, and in such manner, as shall be determined by the Board.

Section 7.4 Deposits. All funds of the Corporation not otherwise in use shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Routine Matters Committee may select.

ARTICLE VIII

Certificates of Stock

Section 8.1 Issuance. Each Stockholder of the Corporation whose shares have been fully paid up shall be entitled to a certificate or certificates showing the number of shares registered in his name on the books of the Corporation. The certificates of stock of the Corporation shall be in such form as may be determined by the Board, shall be issued in numerical order and shall be entered in the books of the Corporation as they are issued. Any certificates issued after the effective date of these bylaws shall exhibit the holder's name and number of shares, shall be signed by the President and by the Secretary or an Assistant Secretary, shall bear the seal of the Corporation and shall be countersigned by any Transfer Agent and Registrar designated and appointed by the Board. If any stock certificate is signed (1) by a transfer agent or an assistant transfer agent, or (2) by a transfer clerk acting on behalf of the Corporation and a registrar, the signature of any such officer and the seal of the Corporation thereon may be facsimile. All certificates surrendered to the Corporation for transfer shall be

cancelled. No new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and cancelled, except that in the case of a lost, stolen, destroyed or mutilated certificate, a new one may be issued therefor upon such terms and with such indemnity (if any) to the Corporation as the Board may prescribe. Certificates shall not be issued representing fractional shares of stock.

Section 8.2 Lost Certificates. The Board may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen or destroyed. When authorizing the issuance of a new certificate or certificates, the Board may, in its discretion as a condition precedent to the issuance thereof, require the owner of the lost, stolen or destroyed certificates, or his legal representative, to advertise the missing certificate in such manner as it shall require and/or to give the Corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the Corporation with respect to the missing certificate.

Section 8.3 Transfers. Upon surrender to the Corporation or the transfer agent of the Corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, it shall be the duty of the Corporation to issue a new certificate to the appropriate person, cancel the old certificate and record the transaction upon its books. Transfer of shares shall be made only on the books of the Corporation by registered holder, or by his attorney-in-fact as authorized by power of attorney filed with the Secretary of the Corporation or the Transfer Agent.

Section 8.4 Registered Stockholders. The Corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and, accordingly, shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 8.5 Regulations. The Board shall have the power and authority to adopt all such rules and regulations as they may deem expedient concerning the issue, transfer and registration or the replacement of certificates for shares of stock of the Corporation.

Section 8.6 Legends. The Board shall have the power and authority to provide that certificates representing shares of stock bear such legends as the Board deems appropriate to assure that the Corporation does not become liable for violations of federal or state securities laws or other applicable law.

ARTICLE IX

Dividends

Section 9.1 Declaration. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board at any regular or special meeting or by consent. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation. Such declaration and payment shall be at the discretion of the Board.

Section 9.2 Reserve. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the Directors shall think conducive to the interest of the Corporation, and the Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X Indemnification

Section 10.1 Right to Indemnification.

(a) Each person who was or is made a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that he or she (or a person of whom he or she is a legal representative) is or was a Director or officer of the Corporation, or is or was serving or has agreed to serve at the request of the Corporation in any capacity, any corporation, limited liability company, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as an officer, director, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may be amended (but, in the case of such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than permitted prior to such amendment), against all expense, liability and loss (including, without limitation, attorneys' fees), judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) actually and reasonably incurred or suffered by such person in connection therewith and such indemnification shall continue as to person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of his or her heirs, executors and administrators, if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of *nolo contendere* or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

(b) The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that the person is or was a Director or officer of the Corporation, or is or was serving at the request of the Corporation as a director, manager or officer of another corporation, limited liability company, partnership, joint venture, trust or other enterprise against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or

not opposed to the best interests of the Corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Delaware Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Delaware Court of Chancery or such other court shall deem proper.

(c) To the extent that a present or former Director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in subsections (a) and (b) of this Section 10.1, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith.

(d) Any indemnification under subsections (a) and (b) of this Section 10.1 (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former Director or officer is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of this Section 10.1. This determination shall be made, with respect to a person who is a Director or officer at the time of such determination, (1) by a majority vote of the Directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such Directors designated by majority vote of such Directors, even though less than a quorum, or (3) if there are no such Directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the Stockholders.

(e) Upon authorization of the Board and subject to any limitations or conditions imposed by it, the Corporation may indemnify its employees and agents to the same extent and in the same manner provided to Directors and officers in this Section 10.1. Also, the Board may authorize the advancing of expenses to its employees and agents to the same extent provided to Directors and officers in Section 10.2 subject to any limitations or conditions the Board may deem appropriate.

Section 10.2 Advances for Expenses. Expenses (including attorneys' fees) incurred by an officer or Director in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this section. Such expenses (including attorneys' fees) incurred by former Directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate

Section 10.3 Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Section shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested Directors or otherwise.

Section 10.4 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any such expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 10.5 Savings Clause. If all or any part of Article X is invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify and hold harmless each current, former or proposed Director and officer of the Corporation, as to costs, charges and expenses (including attorney's fees), judgments, fines, and amounts paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative to the full extent permitted by any applicable portion of this Article X that is invalidated and to the fullest extent permitted by applicable law.

ARTICLE XI Miscellaneous

Section 11.1 Fiscal Year. The fiscal year of the Corporation shall be determined by the Board.

Section 11.2 Books. The books of the Corporation may be kept (subject to any provisions contained in the statutes) outside the State of Delaware at the offices of the Corporation in Fort Worth, Texas, or at such other place or places as may be designated from time to time by the Board.

Section 11.3 Securities of Other Corporations. The Chairman of the Board, the President, or any Vice President, the Corporation shall have the power and authority to transfer, endorse for transfer, vote, consent, or take any other action with respect to any securities of another issuer which may be held or owned by the Corporation and to make, execute, and deliver any waiver, proxy or consent with respect to any such securities.

Section 11.4 Telephone Meetings. Stockholders (acting for themselves or through a proxy), members of the Board and members of a committee of the Board may participate in and hold a meeting of the Stockholders, Board or committee by means of a conference telephone or similar communications equipment by means of which persons participating in the meeting can hear each other, and participation in a meeting pursuant to this section shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 11.5 Inspection of Books and Records. A request to inspect the Corporation's books and records shall be in writing and otherwise comply with Section 220 of the Delaware General Corporation Law. In addition, any Stockholder making such a request must agree that any information so inspected, copied or extracted by the Stockholder shall be kept confidential, that any copies or extracts of such information shall be returned to the

Corporation and that information shall only be used for the purpose stated in the request. Information so requested shall be made available for inspecting, copying or extracting at the principal executive offices of the Corporation.

Section 11.6 Invalid Provisions. If any part of these Bylaws shall be held invalid or inoperative for any reason, the remaining parts, so far as it is possible and reasonable, shall remain valid and operative.

Section 11.7 Mortgages, etc. With respect to any deed, deed of trust, mortgage or other instrument executed by the Corporation through its duly authorized officer or officers, the attestation to the execution by the Secretary of the Corporation shall not be necessary to constitute such deed, deed of trust, mortgage or other instrument a valid and binding obligation against the Corporation unless the resolutions, if any, of the Board authorizing such execution expressly state that such attestation is necessary.

Section 11.8 Headings. The headings used in these Bylaws have been inserted for administrative convenience only and do not constitute matter to be construed in interpretation.

Section 11.9 References. Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender should include each other gender where appropriate.

ARTICLE XII

Amendment

These Bylaws may be altered, amended or repealed by a majority of the Board present at any regular meeting of the Board without prior notice, or at any special meeting of the Board if notice of such alteration, amendment or repeal be contained in the notice of such special meeting. In addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law or by the Certificate of Incorporation of the Corporation, the affirmative vote of the holders of not less than eighty percent (80%) of the outstanding shares of the Corporation then entitled to vote upon the election of directors, voting together as a single class, shall be required for the alteration, amendment, or repeal of the Bylaws or adoption of new Bylaws by the Stockholders of the Corporation.

Annex 1

IN WITNESS WHEREOF, the undersigned Directors and Stockholders adopted these Amended and Restated Bylaws as of the 30th day of June, 2009.

DIRECTORS:

John S. Pinkerton

Roger S. Manny

Rodney L. Waller

STOCKHOLDER:

[_____]

By: _____

Annex 1

Annex 2

Form of Amended and Restated Company Agreement

Annex 2

**AMENDED AND RESTATED
COMPANY AGREEMENT
OF**

This Amended and Restated Company Agreement (this "Agreement," as it may be amended from time to time as provided below) for _____, a Delaware limited liability company (the "Company") is made and entered into effective as of June 30, 2009 (the "Effective Date"), by _____ as the sole member of the Company (the "Member") and accepted by the Company.

RECITALS

WHEREAS, the Company was formed as a limited liability company under the Delaware Limited Liability Company Act, as it may be amended from time to time (the "DLLCA"), by filing a Certificate of Formation with the Secretary of State of the State of Delaware;

WHEREAS, the Member desires to amend and restate in its entirety any and all company agreements previously executed or adopted by the Member or its predecessor, if any; and

WHEREAS, the Member desires to enter into this Agreement to set for the Member's rights and obligations and other matters with respect to the Company.

NOW, THEREFORE, in consideration of the promises, covenants and provisions hereinafter contained, the Member hereby adopts the following:

AGREEMENT

ARTICLE I

Organizational and Other Matters

Section 1.1 Organization; Admission. The Company was organized as a limited liability company pursuant to Section 18-201 of the DLLCA by filing the Certificate of Formation (the "Certificate") with the Secretary of the State of Delaware. The sole Member of the Company is _____.

Section 1.2 Name. The name of the Company is "____", and the business of the Company is conducted under such name. The Member may, in its sole discretion, change the name of the Company from time to time. In any such event, the change shall be effective upon the Member filing or causing to be filed in the office of the Secretary of the State of Delaware an amendment to the Certificate reflecting such change of name.

Section 1.3 Limited Liability. Except as otherwise provided by the DLLCA, the debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise,

Annex 2

shall be the debts, obligations and liability solely of the Company, and the Member shall not be obligated personally for any such debts, obligations or liabilities by reason of being a Member.

Section 1.4 Registered Office and Agent. The address of the Company's registered office (required by 18-104 of the DLLCA to be maintained in the State of Delaware) shall be The Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware 19801 and the name of the Company's registered agent at such address is The Corporation Trust Company. The Company's principal place of business shall be 100 Throckmorton Street, Suite 1200, Fort Worth, Texas 76102. The Company may change the registered office, registered agent, or place of business from time to time. The Company may from time to time have such other place or places of business within or without the State of Delaware as may be determined by the Member.

Section 1.5 Fiscal Year. The fiscal year of the Company shall be the calendar year unless, for United States federal income tax purposes, another fiscal year is required. The Company shall have the same fiscal year for United States federal income tax purposes and for accounting purposes.

Section 1.6 No State-Law Partnership. The Company shall not be a partnership or joint venture for any reason other than for United States federal income and state tax purposes, and no provision of this Agreement shall be construed otherwise.

Section 1.7 Company Property. All real and personal property owned by the Company shall be deemed owned by the Company as an entity and held in its name. No Member shall have any ownership interest in any Company property by any reason of his interest in the Company.

Section 1.8 Merger and Conversion. The Company may merge with, or convert into, another entity only in accordance with a plan of merger or conversion approved by the Member.

ARTICLE II

Purpose and Powers

Section 2.1 Purpose of the Company. The purpose of the Company shall be to engage or participate in any lawful business activities in which a limited liability company formed in the State of Delaware may engage or participate.

Section 2.2 Powers of the Company. The Company shall have the power to do any and all acts reasonably necessary, appropriate, proper, advisable, incidental or convenient to or for the furtherance of the purpose and business described herein and for the protection and benefit of the Company.

ARTICLE III

Members and Interests

Annex 2

Section 3.1 Current Members. The Person executing this Agreement as a Member is the sole Member of the Company, and there are no other Members.

Section 3.2 Capital Contributions.

- (a) Indirect or direct consideration has previously been given by the Member.
- (b) No Member shall have any obligations to make any contribution to the Company.

Section 3.3 Admission of Additional Limited Members. The Board of Managers may cause the Company to issue additional ownership interests in the Company (the “Interests”) and may admit an additional Person to the Company as a Member on such terms as the Board of Managers shall determine, if but only if each such new Member agrees in writing to be bound by the provisions of this Agreement as a Member and notifies the other Members of its address for notices under this Agreement.

Section 3.4 Members Generally. The Members shall have no authority to take part in the control, conduct or operation of the Company and shall have no right or authority to act for or bind the Company, including during the winding up of the Company. Other than as specifically provided in this Agreement or non-waivable provisions of the DLLCA, no Member shall have the right to vote upon any matter concerning the business and affairs of the Company.

Section 3.5 Compensation of Members. No Member shall receive any compensation for its services to the Company.

ARTICLE IV

Distributions

The Member shall decide whether and in what amounts assets of the Company shall be distributed to the Member, subject to the requirements of applicable law. All amounts distributed to a Member, if any, shall be distributed in proportion to the Member’s sharing percentage show opposite each Member’s signature of this Agreement.

ARTICLE V

Management of the Company

Section 5.1 Management by Managers. Subject to the provisions of Section 5.2 and the rights and powers, statutory or otherwise, possessed by a member of a limited liability company under the DLLCA, the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, one or more managers of the Company (each, a “Manager” and collectively, the “Managers”), and any Manager, acting alone, has the authority to act on behalf of, and to bind, the Company. Each Manager shall be a natural person.

Section 5.2 Decisions Requiring Member Consent. Notwithstanding any power or authority granted to the Managers under the DLLCA or this Agreement, the Managers may not make any decision or take any action for which the consent of the Member is expressly required by the DLLCA or this Agreement without first obtaining such consent of the Member as so required.

Section 5.3 Selection of Managers. The number of Managers of the Company shall be three, unless such number is changed by the consent of the Member. The Managers on the Effective Date of this Agreement shall be John H. Pinkerton, Roger S. Manny and Rodney L. Waller. Managers need not be Members or residents of the State of Delaware. Each Manager (whether an initial or successor Manager) shall cease to be a Manager upon the earliest to occur of the following events: (a) a successor to a Manager shall be appointed by the Member, (b) the Manager shall be removed, with or without cause, by the action of the Member at a meeting of the Member called for that purpose or by written consent of the Member; (c) the Manager shall resign as a Manager or as an officer or employee of the Company, Range Resources Corporation or any other company directly or indirectly controlled or owned by Range Resources Corporation, by giving written notice of resignation to the Company; or (d) the death of the Manager shall die. Any vacancy in any Manager position may be filled by the action of the Member at a meeting of the Member, or by written consent of a majority of the remaining Managers, though less than a quorum of the Managers. Range Resources Corporation and all other entities directly or indirectly owned or controlled by it are collectively called “Affiliates”.

Section 5.4 Meetings of the Managers. Regular meetings of the Managers as a board of managers (the “Board”) are not required, but may be held on such dates and at such times as shall be determined by the Managers, with notice of the establishment of such regular meeting schedule being given to each Manager who was not present at the meeting at which it was adopted. Special meetings of the Managers may be called by any Manager by notice thereof (specifying the place and time of such meeting) that is delivered to each other Manager at least 24 hours prior to the meeting. The notice or the waiver of notice need not specify either the business to be transacted or the purpose of the special meeting. Unless otherwise expressly provided in this Agreement, at any meeting of the Managers, a majority of the Managers shall constitute a quorum for the transaction of business, and an act of a majority of the Managers who are present at such a meeting at which a quorum is present shall be the act of the managers. Managers may vote in person or by proxy.

Section 5.5 Action Without a Meeting; Resolutions In Ordinary Course. Any action required or permitted to be taken at any meeting of the Board, or any committee designated by the Board, may be taken without a meeting if at least two-thirds (2/3) of the Managers serving on the Board or on a committee of the Board as the case may be, consent in writing to the action under consideration, and the consent or consents are filed with the minutes of proceedings of the Board or committee. A written consent shall have the same force and effect as a vote at a meeting. In addition, (a) any two of the Managers or (b) the President together with any Vice President of the Company shall have the authority to adopt standard form resolutions with the same force and effect as if the resolutions were adopted by the Board, provided those resolutions relate to routine matters in the business of the Company, and the Manager, President or Vice President promptly causes a copy of those resolutions to be placed in the Company’s minute book along with the other minutes and resolutions of the Board. As used in this Section 5.5, “routine matters in the course of the Company’s business” shall include, but not be limited to, (a) the opening of checking, money market, securities brokerage, commodities trading, and other similar accounts, (b) qualifying the

Company to transact business in another jurisdiction and the appointment of agents for service of process; (c) investing or hedging the Company's assets and the execution and delivery of related contracts, and (d) any matters or transactions that relate to matters or transactions previously approved by the Board of Directors of Range Resources Corporation including guaranteeing the indebtedness of Range Resources Corporation.

Section 5.6 Conference Call Meeting. The Board, or members of any committee designated by the Board, may participate in a meeting of such Board or committee, as the case may be, by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in such a meeting shall constitute presence in person at such meeting, except where a person participates in the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.7 Waiver of Notice Through Attendance. Attendance of a Manager at any meeting of the Board or any committee thereof (including by telephone) shall constitute a waiver of notice of such meeting, except where the Manager attends the meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened.

Section 5.8 Reliance on Books, Reports and Records. A Member, Manager or liquidating trustee shall be fully protected in relying in good faith upon the records of the Company and upon information, opinions, reports or statements presented by another Member, Manager, liquidating trustee, an officer or employee of the Company or committees of the Company or any other person as to matters the relying person reasonably believes are within the other person's professional or expert competence, including information, opinions, reports or statements as to the value and amount of assets, liabilities, profits or losses of the Company or the value and amount of assets or reserves or contracts, agreements or other undertakings that would be sufficient to pay claims and obligations of the Company or to make reasonable provision to pay those claims and obligations, or any other facts pertinent to the existence and amount of assets from which distributions might be made to the Member or creditors might be properly paid. To the extent permitted by Delaware law, the officers may also rely on the information, opinions, reports and statements of other persons in the manner and with the same protection provided in the preceding sentence.

Section 5.9 Actions By Members, Managers & Officers. No member or the Manager, or any of their respective officers, directors, shareholders, constituent partners, managers, members, trustees, representatives, agents or employees, shall be liable to the Company or to any of the other Members for any action taken (or any failure to act) by it in good faith on behalf of the Company and reasonably believed by it to be authorized or within the scope of its authority, unless that action (or failure to act) constitutes fraud, gross negligence, bad faith or willful misconduct, and then only to the extent otherwise provided by law.

Section 5.10 Officers.

(a) Authority to Appoint; Powers. The Managers may appoint, and remove with or without cause, such officers of the Company as the Managers from time to time may determine, in their sole and absolute discretion to manage and control the business and affairs of the Company. Officers need not be Members or Managers. The Member and the Company contemplate that Managers acting separately (and not as the Board) and officers of the Company will conduct the business of the Company without the formality of frequent meetings of the Board or obtaining written consent of two-thirds (2/3) of the Managers. Therefore, in accordance with the provisions of the DLLCA, the Member and the Company agree and consent that, except as provided in the following sentence or as required by the DLLCA, any of the Managers, the President or any Vice President shall have full authority to transact the business of the Company in all regards without the formality of Board or Member approval, including without limitation the authority (i) to declare and make distributions, (ii) to sell or transfer assets of the Company so long as those assets are not all or substantially all of the assets of the Company, (iii) to encumber any or all of the Company's assets to secure funded indebtedness of the Company or any of the Affiliates, (iv) to enter into leases, contracts and agreements in the ordinary course of the Company's business without regard to the amount or duration of the leases, contracts or agreements, and (v) to conduct any other activities consistent with matters or transactions previously approved by the Board of Directors of Range Resources Corporation or to enter into contracts, agreements, deeds of trust, guarantees, derivatives contracts and other documents pertaining to those matters or transactions. Notwithstanding anything herein to the contrary, the powers granted to a Manager acting separately and officers of the Company shall not include (1) the power to amend this Agreement or the Certificate; (2) the admission of one or more other persons as Members of the Company, whether by new issuance of interests in the Company or total or partial transfer of the current Member's interest in the Company; (3) any activity that is unlawful or violates the resolutions or policies adopted by the Company's Board or the Board of Directors of Range Resources Corporation, (4) action calling for the dissolution, merger or consolidation of the Company or a sale of substantially all of its assets, (5) any matter in which the approving Manager, President or Vice President or any member of his family has a financial interest or an interest adverse to the Company, Range Resources Corporation or any company directly or indirectly controlled or owned by Range Resources Corporation, and (6) to do anything contrary to the provisions of this Agreement or the Company's Certificate. The powers granted in this subsection 5.10(a) of this Agreement are in addition to the powers described in Section 5.5 of this Agreement.

(b) Term. Subject to any express term of any written agreement between the Company and any officer approved by the Managers in writing, any officer so appointed by the

Managers shall serve in the capacity so appointed until (i) removed with or without cause by the Managers, (ii) the officer's successor shall be duly elected and appointed by the Managers or (iii) the officer's death, disability or resignation.

(c) Titles. To the extent appointed by the Managers, the officers of the Company may be a President, a Secretary, one or more Vice Presidents (any one or more of whom may be designated to a class of Vice Presidents), a Treasurer and such other officers as the Managers may from time to time elect or appoint. Any number of offices may be held by the same person.

(d) Salaries. Subject to any express terms of any written agreement between the Company and any officer that was approved by the Managers in writing, the salaries or other compensation of the officers and agents of the Company shall be fixed from time to time by the Managers. Nothing in this Agreement shall be deemed to constitute an assurance of continued employment or an employment agreement for any Manager or officer of the Company.

(e) Vacancies. Any vacancy occurring in any office of the Company may be filled by the Managers.

(f) Chairman of the Board. If appointed, Chairman of the Board shall be a member of the Board. By virtue of his office he shall be a member of the Executive Committee if that committee be created. He shall preside at all meetings of the Board and Members.

(g) President. The President shall be a member of the Board. By virtue of his office he shall be the Company's chief executive officer and a member of the Executive Committee if that committee is created. In the absence of the Chairman of the Board, the President shall preside at all meetings of the Board. The President shall supervise and direct the operations of the Company and shall perform such other duties as may be assigned to him. He may sign with the Secretary, or any other authorized officer of the Corporation, any instruments which the Board has authorized to be executed.

(h) Vice Presidents. The Vice Presidents shall perform such duties as from time to time may be assigned to them by the President, the Board or the Executive Committee. The Board may appoint Vice Presidents in classes.

(i) Secretary. The Secretary shall: (a) keep the minutes of the meetings of the Members, the Board, the Executive Committee and such other committees as the Board shall designate; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) keep or cause to be kept a register of the post office address of each Member, and (d) perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him.

(j) Treasurer. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board shall determine. He shall such duties related to the Company's cash and its books and records as may be assigned to him by the Board.

(k) Assistant Secretary or Treasurer. The Assistant Secretaries and Assistant Treasurers shall, in the absence of the Secretary or Treasurer, respectively, perform all functions and duties which such absent officers may delegate, but any such delegation shall not relieve the absent officer from the responsibilities and liabilities of his office.

ARTICLE VI

Liability and Indemnification

Section 6.1 Liability Limitation. No Member or Manager is liable to any other Member or the Company for any act or omission made in good faith relating to the Member's or Manager's status as a Member or Manager, or in the course of the performance of the Member's or Manager's right and obligations under this Agreement; *provided, however*, that a Member or Manager is liable to other Members or the Company for damages caused by any act or omission resulting from the Member's or Manager's fraud, gross negligence, willful misconduct, or intentional breach of any provision of this Agreement.

Section 6.2 Indemnity. The Company shall indemnify and hold each Member, each Manager and each office appointed by the Board harmless for and from all assessments, costs, damages, expenses, fines, judgments, liabilities, losses, penalties, and reasonable attorney's and paralegal's fees and disbursements incurred by the Member, the Manager or officer by reason of any act or omission performed or omitted by the Member, the Manager or officer on behalf of the Company; *provided, however*, a Member, Manager or officer shall not be indemnified by the Company for any of the foregoing resulting from the Manager fraud, gross negligence, willful misconduct, or intentional breach of any provision of this Agreement. The Company shall, upon approval of the Board, have the power, but not the obligation, to indemnify any individual, other than a Manager, who is or was an employee or agent of the Company to the same extent as if such individual was a Member or Manager.

Section 6.3 Advances. Expenses (including attorneys' fees) incurred by a Member, Manager or officer of the Company in defending any civil, criminal, administrative or investigative action, suit or proceeding may be paid by the Company in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of the Member, Manager or officer of the Company to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Company as authorized in this section. Expenses (including attorneys' fees) incurred by a former Member, Manager or officer of the Company or other employees and agents may be so paid with such limitations, terms and conditions, if any, as the Board deems appropriate.

ARTICLE VII

Assignment of Membership Interests

The Member may assign all or any portion of such Member's interest in the Company at any time. Upon any such assignment, (i) the assignee shall succeed to the rights and obligations of the member in respect of its interest transferred, (ii) upon the assignment of 100% of the outstanding interest in the Company held by a single member to one or more assignees, each assignee shall become a Member of the Company, and (iii) upon any other assignment of an interest in the Company, the assignee shall become a Member in the Company upon the consent

of all Members other than the assigning Member or, if the assigning member shall be the sole member immediately prior to such assignment, upon the consent of the assigning Member. Notwithstanding anything to the contrary contained herein, no transfer of a Member's interest in the Company shall operate to dissolve the Company.

ARTICLE VIII

Dissolution and Liquidation

Section 8.1 Dissolution. The Company shall be dissolved upon the occurrence of any dissolution event specified in the DLLCA; *provided, however*, that the Company shall not dissolve upon the occurrence of any of the events described in Section 18-801(a)(4) of the DLLCA (including, without limitation, the death or bankruptcy of the Member.

Section 8.2 Effect of Dissolution. Upon dissolution, the Company shall cease carrying on its business but shall not terminate until the winding up of the affairs of the Company is completed, the assets of the Company shall have been distributed as provided below and a Certificate of Cancellation of the Company under the DLLCA has been filed in the office of the Secretary of State of the State of Delaware.

Section 8.3 Liquidation Upon Dissolution. Upon the dissolution of the Company, sole and plenary authority to effectuate the liquidation of the assets of the Company shall be vested in the Member, which shall have full power and authority to sell, assign and encumber any and all of the Company's assets and to wind up and liquidate the affairs of the Company in an orderly and business-like manner. The proceeds of liquidation of the assets of the Company distributable upon a dissolution and winding up of the Company shall be applied in the following order of priority.

- (a) first, to the creditors of the Company, including a creditor who is the Member, in the order of priority provided by law or contract, in satisfaction of all liabilities and obligations of the Company (of any nature whatsoever, including without limitation, fixed or contingent, matured or unmatured, legal or equitable, secured or unsecured), whether by payment or the making of reasonable provision for payment thereof; and
- (b) thereafter, to the Member.

Section 8.4 Winding Up and Certificate of Cancellation. The winding up of the Company shall be completed when all of its debts, liabilities, and obligations have been paid and discharged or reasonable adequate provision therefore has been made, and all of the remaining property and assets of the Company have been distributed to the Member. Upon the completion of the winding up of the Company, a Certificate of Cancellation of the Company shall be filed in the office of the Secretary of State of the State of Delaware.

ARTICLE IX

Miscellaneous

Section 9.1 Amendment. This Agreement may be amended or modified only by a written instrument executed by the Member(s) holding a majority of the outstanding interests in the Company. In addition, the terms or conditions hereof may be waived by a written instrument executed by the party waiving compliance.

Section 9.2 Severability. If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remaining provisions shall not in any way be affected or impaired, unless that provision was fundamental to the objectives of this Agreement.

Section 9.3 Governing Law. This Agreement shall be governed by laws of the State of Delaware, including the DLLCA, and the federal laws of the United States.

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Annex 2

IN WITNESS WHEREOF, the undersigned Member has entered into this Agreement as of June 30, 2009.

Sharing Percentages
100.0%

SOLE MEMBER:

[_____]

By: _____

_____, _____

COMPANY ACCEPTANCE

The undersigned _____, a Delaware limited liability company defined as the "Company" in the foregoing agreement, agrees that it and its operations shall be bound by the foregoing Amended and Restated Company Agreement.

_____,
(a Delaware limited liability company)

By: _____

Name & Title: _____

Date: _____, 2009 and effective June 30, 2009

Annex 2

CERTIFICATION

I, John H. Pinkerton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Range Resources Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2009

/s/ JOHN H. PINKERTON

John H. Pinkerton

Chairman and Chief Executive Officer

CERTIFICATION

I, Roger S. Manny, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Range Resources Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 21, 2009

/s/ ROGER S. MANNY

Roger S. Manny

Executive Vice President and Chief Financial Officer

**CERTIFICATION OF
CHAIRMAN AND CHIEF EXECUTIVE OFFICER
OF RANGE RESOURCES CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying report on Form 10-Q for the period ending September 30, 2009 and filed with the Securities and Exchange Commission on the date hereof (the "Report") and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, John H. Pinkerton, Chairman and Chief Executive Officer of Range Resources Corporation (the "Company"), hereby certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

By: /s/ JOHN H. PINKERTON

John H. Pinkerton

October 21, 2009

**CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF RANGE RESOURCES CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the accompanying report on Form 10-Q for the period ending September 30, 2009 and filed with the Securities and Exchange Commission on the date hereof (the "Report") and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Roger S. Manny, Chief Financial Officer of Range Resources Corporation (the "Company"), hereby certify that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

By: /s/ ROGER S. MANNY _____

Roger S. Manny
October 21, 2009