UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark one)

[x] **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2004

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 0-9592

RANGE RESOURCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**34-1312571**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

777 Main Street, Suite 800
Ft. 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 [X] No [ ]

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [X] No [ ]

69,313,078 Common Shares were outstanding on July 26, 2004.

TABLE OF CONTENTS

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

The financial statements included herein should be read in conjunction with the latest Form 10-K/A for Range Resources Corporation (the “Company” or “Range”). The statements are unaudited but reflect all adjustments which, in the opinion of management, are necessary to fairly present the Company’s financial position and results of operations. All adjustments are of a normal recurring nature unless otherwise noted. These financial statements, including selected notes, have been prepared in accordance with the applicable rules of the Securities and Exchange Commission (the “SEC”) and do not include all of the information and disclosures required by accounting principles generally accepted in the United States for complete financial statements.

RANGE RESOURCES CORPORATION

CONSOLIDATED BALANCE SHEETS
(In thousands)

	June 30, 2004	December 31, 2003
	(Unaudited)	
Assets		
Current assets		
Cash and equivalents	$ 7,571	$ 631
Accounts receivable, net	51,412	37,745
IPF receivables (Note 2)	4,900	4,400
Unrealized derivative gain (Note 2)	495	116
Deferred tax asset (Note 13)	32,533	19,871
Inventory and other	9,191	3,329
	106,102	66,092
IPF receivables (Note 2)	4,072	8,193
Unrealized derivative gain (Note 2)	384	250
Oil and gas properties, successful efforts method (Note 16)	1,719,691	1,362,811
Accumulated depletion and depreciation	(661,301)	(639,429)
	1,058,390	723,382
Transportation and field assets (Note 2)	56,564	41,218
Accumulated depreciation and amortization	(20,485)	(18,912)
	36,079	22,306
Other (Note 2)	14,653	9,868
	$1,219,680	$ 830,091
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 38,924	$ 32,105
Asset retirement obligation (Note 3)	10,858	5,814
Accrued liabilities	23,847	14,700
Unrealized derivative loss (Note 2)	78,673	54,345
	152,302	106,964
Senior debt (Note 6)	320,000	178,200
Non-recourse debt (Note 6)	—	70,000
Subordinated notes (Note 6)	205,422	109,980
Deferred taxes, net (Note 13)	18,748	10,843
Unrealized derivative loss (Note 2)	24,875	17,027
Deferred compensation liability (Note 11)	27,919	16,981
Asset retirement obligation (Note 3)	57,840	46,030
Commitments and contingencies (Note 8)		
Stockholders' equity (Notes 9 and 10)		
Preferred stock, $1 par, 10,000,000 shares authorized, 5.9% cumulative convertible preferred stock, 1,000,000 shares issued and outstanding at June 30, 2004, and December 31, 2003 entitled in liquidation to $50.0 million	50,000	50,000
Common stock, $.01 par, 100,000,000 shares authorized, 69,269,693 and 56,409,791 issued and outstanding, respectively	693	564
Capital in excess of par value	546,822	399,662
Retained earnings (deficit)	(111,246)	(124,011)
Stock held by employee benefit trust, 1,716,389 and 1,671,386 shares, respectively, at cost (Note 11)	(9,426)	(8,441)
Deferred compensation	(1,431)	(856)
Accumulated other comprehensive income (loss) (Note 2)	(62,838)	(42,852)
	412,574	274,066
	$1,219,680	$ 830,091

See accompanying notes.

RANGE RESOURCES CORPORATION

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenues				
Oil and gas sales	$67,553	$55,273	$132,921	$109,603
Transportation and gathering	344	940	811	1,967
Loss on retirement of securities (Note 18)	(34)	(10)	(34)	(325)
Other	833	(2,053)	(1,469)	(1,204)
	68,696	54,150	132,229	110,041
Expenses				
Direct operating	10,406	9,542	20,401	19,094
Production and ad valorem taxes	4,801	3,102	9,051	6,578
Exploration	4,200	2,687	7,767	5,140
General and administrative (Note 11)	9,355	5,313	18,176	10,159
Interest expense and dividends on trust preferred	4,422	5,175	8,567	10,719
Depletion, depreciation and amortization	22,444	21,276	44,692	42,243
	55,628	47,095	108,654	93,933
Income before income taxes and accounting change	13,068	7,055	23,575	16,108
Income taxes (Note 13)				
Current	44	(6)	44	(2)
Deferred	4,835	2,470	8,722	6,556
	4,879	2,464	8,766	6,554
Income before cumulative effect of change in accounting principle	8,189	4,591	14,809	9,554
Cumulative effect of change in accounting principle (net of taxes of $2.4 million) (Note 3)	—	—	—	4,491
Net income	8,189	4,591	14,809	14,045
Preferred dividends (Note 9)	(737)	—	(1,475)	—
Net income available to common shareholders	$ 7,452	$ 4,591	$ 13,334	$ 14,045
Earnings Per Common Share (Note 14):				
Net income available to common shareholders before change in accounting principle	$ 0.13	$ 0.08	$ 0.24	$ 0.18
Cumulative effect of change in accounting principle	—	—	—	0.08
Net income per common share-basic	$ 0.13	$ 0.08	$ 0.24	$ 0.26
Earnings per common share	$ 0.12	$ 0.08	$ 0.23	$ 0.17
Cumulative effect of change in accounting principle	—	—	—	0.08
Net income per common share-diluted	$ 0.12	$ 0.08	$ 0.23	$ 0.25

See accompanying notes.

RANGE RESOURCES CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Six Months Ended June 30,	
	2004	**2003**
Cash flows from operations		
Net income	$ 14,809	$ 14,045
Adjustments to reconcile net income to net cash provided by operations:		
Cumulative effect of change in accounting principle, net	—	(4,491)
Deferred income tax expense	8,722	6,556
Depletion, depreciation and amortization	44,692	42,243
Unrealized hedging (gains) losses	(536)	1,188
Allowance for bad debts	1,286	708
Exploration expense	3,429	1,460
Amortization of deferred issuance costs and discount	472	446
Loss on retirement of securities	34	325
Deferred compensation adjustments	9,008	1,596
Loss (gain) on sale of assets and other	(143)	(157)
Changes in working capital:		
Accounts receivable	(4,456)	(12,857)
Inventory and other	(5,039)	783
Accounts payable	6,660	535
Accrued liabilities	2,412	1,436
Net cash provided by operations	81,350	53,816
Cash flows from investing		
Oil and gas properties	(62,202)	(42,623)
Field service assets	(1,014)	(1,592)
Acquisitions	(253,596)	(9,729)
IPF	2,332	7,610
Asset sales	2,432	302
Net cash used in investing	(312,048)	(46,032)
Cash flows from financing		
Borrowings on credit facilities	316,200	78,900
Repayments on credit facilities	(314,400)	(87,100)
Other debt repayments	(2,779)	(744)
Debt issuance costs	(2,998)	(684)
Payment of dividends	(2,609)	—
Issuance of senior notes	98,125	—
Issuance of common stock	146,099	1,819
Net cash provided by (used in) financing	237,638	(7,809)
Increase (decrease) in cash and equivalents	6,940	(25)
Cash and equivalents, beginning of period	631	1,334
Cash and equivalents, end of period	$ 7,571	$ 1,309

See accompanying notes.

RANGE RESOURCES CORPORATION

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income	$ 8,189	$ 4,591	$ 14,809	$ 14,045
Net deferred hedge gains (losses), net of tax:				
Hedging losses included in net income	(14,644)	(9,987)	(25,289)	(26,816)
Unrealized deferred hedging gains (losses)	9,760	(5,300)	5,239	(3,752)
Unrealized gains (losses) on securities held by deferred compensation plan	18	102	65	81
Comprehensive income (loss)	$ 3,323	$(10,594)	$ (5,176)	$(16,442)

See accompanying notes.

RANGE RESOURCES CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

(1) ORGANIZATION AND NATURE OF BUSINESS

The Company is engaged in the exploration, development and acquisition of oil and gas properties primarily in the Southwestern, Gulf Coast and Appalachian regions of the United States. The Company seeks to increase its reserves and production primarily through drilling and complementary acquisitions. Prior to June 23, 2004, the Company held its Appalachian oil and gas assets through a 50% owned joint venture, Great Lakes Energy Partners L.L.C. ("Great Lakes"). On June 23, 2004, the Company purchased the 50% of Great Lakes that it did not own (see footnote 4). Range is a Delaware Corporation whose common stock is listed on the New York Stock Exchange.

The Company operates 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 sell production at prices which provide an attractive return, the highly competitive nature of the industry, and the ability to drill and acquire reserves on an attractive basis. The Company's ability to expand its reserve base is, in part, dependent on obtaining sufficient capital through internal cash flow, borrowings or the issuance of debt or equity securities. A material drop in oil and gas prices or a reduction in production and reserves would reduce its ability to fund capital expenditures through internally generated cash flow.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements include the accounts of the Company, wholly-owned subsidiaries and for the periods prior to June 23, 2004, a 50% pro rata share of the assets, liabilities, income and expenses of Great Lakes. On June 23, 2004, the Company purchased the 50% of Great Lakes that it did not own (see footnote 4). The June 30, 2004 balance sheet includes 100% of the assets and liabilities of Great Lakes. The statement of operations for the three months and the six months ended June 30, 2004 includes seven days of 100% of the revenues and expenses of Great Lakes. Liquid investments with maturities of 90 days or less are considered cash equivalents. Certain reclassifications have been made to the presentation of prior periods to conform to current year presentation. These financial statements are unaudited but, in the opinion of management, reflect all adjustments necessary for a fair presentation of the results for the periods presented. All such adjustments are of a normal recurring nature unless disclosed otherwise.

Revenue Recognition

The Company recognizes revenues from the sale of products and services in the period delivered. Generally, payments received at Independent Producer Finance ("IPF") relating to return on investment are recognized as income with remaining receipts reducing receivables. Currently, all receipts are being recognized as a return of capital except for income received on investments having a zero book balance. Although receivables are concentrated in the oil and gas industry, the Company does not view this as an unusual credit risk. The Company provides for an allowance for doubtful accounts for specific receivables judged unlikely to be collected based on the age of the receivable, the Company's experience with the debtor, potential offsets to the amount owed and economic conditions. The Company had allowances for doubtful accounts relating to exploration and production of $1.1 million and $1.0 million at June 30, 2004 and December 31, 2003, respectively.

Oil and Gas Properties

The Company follows the successful efforts method of accounting. Exploratory drilling costs are capitalized pending determination of whether a well is successful. Exploratory wells subsequently determined to be dry holes are charged to expense. Costs resulting in exploratory discoveries and all development costs, whether successful or not, are capitalized. Geological and geophysical costs, delay rentals and unsuccessful exploratory wells are expensed. Depletion is provided on the unit-of-production method. Oil and NGLs are converted to gas

equivalent basis ("mcfe") at the rate of six mcf per barrel. The depletion, depreciation and amortization ("DD&A") rates were $1.36 and $1.48 per mcfe in the quarters ended June 30, 2004 and 2003, respectively and $1.37 and $1.49 for the six months ended June 30, 2004 and 2003, respectively. Unproved properties had a net book value of $12.1 million and $12.2 million at June 30, 2004 and December 31, 2003, respectively.

The Company's long-lived assets are reviewed for impairment quarterly for events or changes in circumstances that indicate that the carrying amount of an asset may not be recoverable in accordance with Statement of Financial Accounting Standards No. 144 "Accounting for Impairment or Disposal of Long-Lived Assets." The review is done by determining if the historical cost of proved properties less the applicable accumulated DD&A is less than the estimated expected undiscounted future cash flows. The expected future cash flows are estimated based on management's plans to continue to produce and develop proved reserves. Expected future cash flow from the sale of production of reserves is calculated based on estimated future prices. Management estimates prices based upon market related information including published futures prices. The estimated future level of production is based on assumptions surrounding future levels of prices and costs, field decline rates, market demand and supply, and the economic and regulatory climates. When the carrying value exceeds such cash flows, an impairment loss is recognized for the difference between the estimated fair value and the carrying value of the assets.

Transportation and Field Assets

The Company's gas transportation and gathering systems are generally located in proximity to certain of its principal fields. Depreciation on these systems is provided on the straight-line method based on estimated useful lives of 10 to 15 years. The Company receives third party income for providing certain field services which are recognized as earned and are recorded as an offset to direct operating expenses. These revenues approximated $500,000 in each of the three month periods ended June 30, 2004 and 2003. Depreciation on the field assets is calculated on the straight-line method based on estimated useful lives of five to seven years. Buildings are depreciated over 10 to 15 years.

Independent Producer Finance

IPF owns dollar denominated overriding royalties in oil and gas properties. The royalties are accounted for as receivables because the investment is recovered from a percentage of revenues until a specified return is received. Payments received relating to the return on investment are recognized as income with the remaining receipts reducing receivables. Currently, all receipts are being recognized as a return of capital except for income received on investments having a zero book balance. Receivables classified as current represent the return expected within 12 months. The receivables are evaluated quarterly and provisions for uncollectible amounts are adjusted accordingly. At June 30, 2004, the receivable balance was $14.3 million, offset by a valuation allowance of $5.3 million for a net receivable balance of $9.0 million. At December 2003, the receivable balance was $22.2 million offset by a valuation allowance of $9.6 million for a net receivable balance of $12.6 million. The decline in the receivable balance and the valuation allowance from December 2003 is due to the sale of certain royalties, where the receivable amounts and the valuation allowance amounts were eliminated. The receivables are non-recourse and are from small operators who have limited access to capital and the royalties frequently lack diversification. During the second quarter of 2004, IPF revenues of $9,000 were offset by $253,000 of administrative expenses and a $305,000 net increase in the valuation allowance. During the same period of the prior year, revenues of $428,000 were offset by $269,000 of interest and administrative expenses, and a $299,000 increase in the valuation allowance. Since 2001, IPF has not acquired any new royalties and therefore, the portfolio has declined due to collections and sales.

Other Assets

The cost of issuing debt is capitalized and included in other assets on the Company's Consolidated Balance Sheets. These costs are generally amortized over the expected life of the related securities. When a security is retired prior to maturity, related unamortized costs are expensed. At June 30, 2004 and December 31, 2003, these capitalized costs totaled $6.0 million and $2.4 million, respectively. At June 30, 2004, other assets included $6.0 million unamortized debt issuance costs, $428,000 of long-term deposits, $3.7 million of marketable securities held in deferred compensation plans and an insurance claim receivable related to certain offshore properties. The insurance claim is under normal review by the insurance carrier; therefore, full collection of the receivable is not assured. The insurance company may deny some or all of the claim.

Gas Imbalances

The Company uses the sales method to account for gas imbalances, recognizing revenue based on cash received rather than gas produced. A liability is recognized when the imbalance exceeds the estimate of remaining reserves. Gas imbalances at June 30, 2004 and December 31, 2003 were not significant.

Derivative Financial Instruments and Hedging

The Company enters into contracts to reduce the impact of volatile oil and gas prices. Historically, the Company's hedging program was based on fixed price swaps. In the second quarter of 2003, the hedging program was modified to include collars which establish a minimum floor price and a predetermined ceiling price. The Company also enters into swap agreements to reduce the risk of changing interest rates. These agreements qualify as cash flow hedges whereby changes in the fair value of the swaps are reflected as an adjustment to other comprehensive income (loss) ("OCI") to the extent the swaps are effective and are recognized in income as an adjustment to interest expense in the period covered for the ineffective portion. In the past, certain of the interest rate swaps, because of an option feature, did not qualify as interest rate hedges which required the changes in fair value to be reported in interest expense.

Derivatives are recorded on the balance sheet as assets or liabilities at fair value. For derivatives qualifying as hedges, the effective portion of changes in fair value is recognized in stockholders' equity as OCI and reclassified to earnings as such transactions are settled. Changes in the value of the ineffective portion of all open hedges are recognized in earnings as they occur. At June 30, 2004, the Company reflected an unrealized net pre-tax commodity hedging loss on its balance sheet of $103.5 million. This accounting can greatly increase the volatility of earnings and stockholders' equity for companies that have hedging programs, such as the Company's hedging program. Earnings are affected by the ineffective portion of a hedge contract (changes in realized prices that do not match the changes in the hedge price). Ineffective gains or losses are recorded in other revenue while the hedge contract is open and may increase or reverse until settlement of the contract. Stockholders' equity is affected by the increase or decrease in OCI. Typically, when oil and gas prices increase, OCI decreases. Of the $103.5 million unrealized pre-tax loss at June 30, 2004, $78.6 million of losses would be reclassified to earnings over the next twelve month period and $24.9 million in later periods, if prices remained constant. Actual amounts that will be reclassified will vary as a result of future changes in prices.

Other revenues in the Consolidated Statements of Operations reflected ineffective commodity hedging gains (changes in realized prices did not match the changes in the hedge price) of $971,000 and losses of $2.1 million for the three months ended June 30, 2004 and June 30, 2003, respectively, and losses of $583,000 and $1.3 million in the six months ended June 30, 2004 and 2003, respectively. Interest expense includes ineffective interest hedging gains of $320,000 and $154,000 for the three months ended June 30, 2004 and June 30, 2003, respectively and $1.1 million and $83,000 for the six months ended June 30, 2004 and 2003, respectively. Unrealized hedging losses at June 30, 2004 are shown on the Company's Consolidated Balance Sheets as net unrealized hedging losses of $102.7 million (including $816,000 of gains on interest rate swaps) and OCI losses of $62.8 million (net of taxes) (see Note 7).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect reported assets, liabilities, revenues and expenses, as well as disclosure of contingent assets and liabilities. Actual results could differ from those estimates. Depletion of oil and gas properties is determined using estimates of proved oil and gas reserves. There are numerous uncertainties inherent in the estimation of quantities of proved reserves and in the projection of future rates of production and the timing of development expenditures. Similarly, evaluations for impairment of proved and unproved oil and gas properties are subject to numerous uncertainties including estimates of future recoverable reserves and commodity prices. Other estimates which may significantly impact the Company's financial statements involve IPF receivables, deferred tax valuation allowances, fair value of derivatives and asset retirement obligations.

Pro Forma Stock-Based Compensation

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"). Accordingly, no compensation cost has been recognized for the stock option plans because the exercise prices of employee stock options equals the market prices of the underlying stock on the date of grant. If compensation cost had been determined based on the fair value at the grant date for awards in the three months and the six months ended June 30, 2004 and 2003, consistent with the provisions of SFAS 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts indicated below (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Net income, as reported -	$ 8,189	$ 4,591	$14,809	$14,045
Plus: Total stock-based employee compensation cost included in net income, net of tax	2,803	671	5,675	1,037
Deduct: Total stock-based employee compensation, determined under fair value based method, net of tax	(4,665)	(1,501)	(8,779)	(2,572)
Pro forma net income	$ 6,327	$ 3,761	$11,705	$12,510
Earnings per share:				
Basic-as reported	$ 0.13	$ 0.08	$ 0.24	$ 0.26
Basic-pro forma	$ 0.10	$ 0.07	$ 0.18	$ 0.23
Diluted-as reported	$ 0.12	$ 0.08	$ 0.23	$ 0.25
Diluted-pro forma	$ 0.09	$ 0.07	$ 0.17	$ 0.22

(3) ASSET RETIREMENT OBLIGATION

Beginning in 2003, Statement of Financial Accounting Standards No. 143 "Asset Retirement Obligations" ("SFAS 143") requires the Company to recognize an estimated liability for the plugging and abandonment of its oil and gas wells and associated pipelines and equipment. Previously, the Company had recognized a plugging and abandonment obligation primarily for its offshore properties. This liability was shown netted against oil and gas properties on the balance sheet. Under SFAS 143, the Company now recognizes an asset retirement obligation in the period in which the liability is incurred, if a reasonable estimate of the obligation can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. SFAS 143 requires the Company to consider estimated salvage value in the calculation of DD&A. Consistent with industry practice, historically the Company had assumed the cost of plugging and abandonment on its onshore properties would be offset by salvage value received. The adoption of SFAS 143 resulted in (i) an increase of total liabilities because retirement obligations are required to be recognized, (ii) an increase in the recognized cost of assets because the retirement costs are added to the carrying amount of the long-lived asset, and (iii) an increase in DD&A expense, because of the accretion of the retirement obligation and increased basis. The asset retirement obligations recorded by the Company relate to the plugging and abandonment of oil and gas wells.

The estimated liability is based on historical experience in plugging and abandoning wells, estimated remaining lives of those wells, estimates as to the cost to plug and abandon the wells in the future, and federal and state regulatory requirements. The liability is discounted using an assumed credit-adjusted risk-free interest rate of 9%. Revisions to the liability could occur due to changes in estimates of plugging and abandonment costs, changes in the risk-free interest rate or remaining lives of the wells, or if federal or state regulators enact new plugging and abandonment requirements. While Great Lakes includes a 3% market risk premium in its abandonment estimates, Range does not as the amount would not be significant. At the time of abandonment, the Company will likely to recognize a gain or loss on abandonment based on actual costs incurred.

The adoption of SFAS 143 as of January 1, 2003 resulted in a cumulative effect gain of $4.5 million (net of income taxes of $2.4 million) or $0.08 per share which is included in income in the three months ended March 31, 2003. The adoption resulted in a January 1, 2003 cumulative effect adjustment to record (i) a $37.3 million increase in the carrying values of proved properties, (ii) a $21.0 million decrease in accumulated depletion, (iii) a $2.3 million increase in current plugging and abandonment liabilities, (iv) a $49.1 million increase in non-current plugging and abandonment liabilities, and (v) a $2.4 million decrease in deferred tax assets.

A reconciliation of the Company's liability for plugging and abandonment costs for the six months ended June 30, 2004 and 2003 is as follows (in thousands):

	Six Months Ended June 30,	
	2004	2003
Asset retirement obligation beginning of period	$51,844	$ —
Cumulative effect adjustment	—	51,390
Liabilities incurred	17,792	2,011
Liabilities settled	(3,152)	(448)
Accretion expense	2,105	2,271
Change in estimate	109	—
Asset retirement obligation end of period	$68,698	$55,224

(4) ACQUISITIONS AND DISPOSITIONS

Acquisitions are accounted for as purchases, and accordingly, the results of operations are included in the Company's Statements of Operations from the respective date of acquisition. Purchase prices are assigned to acquired assets and assumed liabilities based on their estimated fair value at acquisition. The Company purchased various properties for $324.0 million and $9.7 million during the six months ended June 30, 2004 and 2003, respectively. The purchases include $318.4 million and $5.6 million for proved oil and gas reserves, respectively, with the remainder representing unproved acreage.

In April 2004, the Company purchased a privately held company owning producing oil and gas properties in the Permian Basin for $22.5 million. The Company recorded $20.7 million to oil and properties, $1.2 million of working capital and $213,000 of additional asset retirement obligations.

On June 23, 2004, the Company purchased the 50% of Great Lakes that it did not previously own for $200.0 million paid to the seller plus the assumption of $70.0 million of Great Lakes bank debt and the retirement of $27.7 million of oil and gas commodity hedges which was equal to the sellers 50% interest in the commodity hedges. The debt assumed was refinanced and consolidated with the Company's existing credit facility as of the purchase date (See further discussion in Note 6.). The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed at the date of acquisition:

	Great Lakes
Purchase price:	
Cash paid (including transaction costs)	$228,637
Total	$228,637
Allocation of purchase price:	
Working capital	5,063
Oil and gas properties	295,973
Field assets and gathering system assets	14,429
Other non-current assets	866
Other non-current liabilities	(17,694)
Long-term debt	(70,000)
Total	$228,637

ACCENTURE LTD
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS — (Continued)
(In thousands of U.S. dollars, except share and per share amounts or as otherwise disclosed)
(Unaudited)

The Great Lakes acquisition will involve many post-closing integration tasks. Among these are combining the Range and Great Lakes information systems and finance/accounting functions. The integration of Great Lakes into Range will require expenditures for information technology hardware and software, consultants, and employee costs. As the acquisition closed on June 23, 2004, there has not been sufficient time to determine the scope of all integration related activities and quantify the potential cost of implementing the integration. Because these issues are unresolved, additional liabilities and expense may occur from the acquisition impacting future periods.

The following unaudited pro forma data for the Company includes the results of operations of the above acquisition as if it had been consummated at the beginning of the three months and six months ended June 30, 2004 and 2003. The pro forma data is based on historical information and does not necessarily reflect the actual results that would have occurred nor is it necessarily indicative of future results of operations (in thousands).

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Revenues	$82,513	$68,412	$160,763	$139,838
Income before income taxes	17,036	10,155	32,079	23,123
Net income	10,690	6,606	20,168	14,113
Earnings per common share:				
- Basic	$ 0.15	$ 0.10	$ 0.28	$ 0.21
- Diluted	$ 0.14	$ 0.10	$ 0.27	$ 0.21

In December 2003, the Company purchased producing oil and gas properties covering 38,000 gross (32,000 net) acres of leases which are adjacent to the Company's Conger Field properties in West Texas. The purchase price was $88.0 million and the Company recorded $81.0 million to oil and gas properties, $4.6 million to transportation and field assets and facilities, $207,000 to inventory and $2.1 million additional asset retirement obligations. This acquisition was funded through the bank credit facility.

During the first quarter of 2004, the Company sold non-strategic properties for proceeds of $2.3 million. Proceeds from the disposal of miscellaneous properties depreciated on a group basis are credited to net book value with no immediate effect on income.

(5) SUPPLEMENTAL CASH FLOW INFORMATION

	Six Months Ended June 30,	
	2004	2003
	(in thousands)	
Non-cash investing and financing activities:		
Common stock issued		
Under benefit plans	$ 1,120	$ 1,958
Exchanged for fixed income securities	—	1,370
Debt assumed in Great Lakes acquisition	$70,000	—
Cash used in operating activities:		
Income taxes paid	$ 150	$ —
Interest paid	8,838	10,596

(6) INDEBTEDNESS

The Company had the following debt outstanding as of the dates shown below (in thousands) (interest rates at June 30, 2004, excluding the impact of interest rate swaps, are shown parenthetically):

	June 30, 2004	December 31, 2003
Senior debt:		
Senior Credit Facility (2.8%)	$320,000	$178,200
Non-recourse debt:		
Great Lakes Credit Facility	—	70,000
Subordinated debt:		
6% Convertible Subordinated Debentures due 2007	8,904	11,649
7-3/8% Senior Subordinated Notes due 2013, net of discount	196,518	98,331
Total	$525,422	$358,180

Interest paid in cash during the three months ended June 30, 2004 and 2003 totaled $2.5 million and $3.5 million, respectively. Interest paid in cash during the six months ended June 30, 2004 and 2003 totaled $8.8 million and $10.6 million, respectively. No interest expense was capitalized during the three months or the six months ended June 30, 2004 and 2003.

Senior Credit Facility

On June 23, 2004, the Company entered into an amended and restated $600.0 million revolving bank facility (the “Senior Credit Facility”) which is secured by substantially all of the assets of the Company. The Senior Credit Facility provides for a borrowing base subject to redeterminations semi-annually each April and October and pursuant to certain unscheduled redeterminations. At June 30, 2004, the outstanding balance under the Senior Credit Facility was $320.0 million and there was $180.0 million of borrowing capacity available. The loan matures on January 1, 2008. Borrowings under the Senior Credit Facility can either be base rate loans or LIBOR loans. On all base rate loans, the rate per annum is equal to the lesser of (i) the maximum rate (the “weekly ceiling” as defined in Section 303 of the Texas Finance Code or other applicable laws if greater) (the “Maximum Rate”) or, (ii) the sum of (A) the higher of (1) the prime rate for such date, or (2) the sum of the federal funds effective rate for such date plus one-half of one percent (0.50%) per annum, plus a base rate margin of between 0.0% to 0.625% per annum depending on the total outstanding under the Senior Credit Facility relative to the borrowing base under the Senior Credit Facility. On all LIBOR loans, the Company pays a varying rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the sum of the quotient of (A) the LIBOR base rate, divided by (B) one minus the reserve requirement applicable to such interest period, plus a LIBOR margin of between 1.25% and 1.875% per annum depending on the total outstanding under the Senior Credit Facility relative to the borrowing base. The Company may elect, from time to time, to convert all or any part of its LIBOR loans to base rate loans or to convert all or any part of its base rate loans to LIBOR loans. The weighted average interest rate (including applicable margin) was 3.1% and 3.2% for the three months ended June 30, 2004 and 2003, respectively and 3.1% and 3.3% for the six months ended June 30, 2004 and 2003, respectively. A commitment fee is paid on the undrawn balance based on an annual rate of between 0.25% and 0.50%. At June 30, 2004, the commitment fee was 0.375% and the interest rate margin was 1.5%. At July 26, 2004, the interest rate (including applicable margin) was 3.4% excluding hedges and 3.5% after hedging.

Great Lakes Credit Facility

Prior to June 23, 2004, the Company consolidated its proportionate share of borrowings on the Great Lakes' $275.0 million secured revolving bank facility (the "Great Lakes Credit Facility"). The Great Lakes Credit Facility was non-recourse to the Company. Simultaneously with the Company's purchase of the 50% of Great Lakes it did not own, the Company entered into an amended and restated credit agreement (see Senior Credit Facility) with Great Lakes as a co-borrower. As a result, the outstanding balance under the Great Lakes Credit Facility was repaid and the facility was assumed by the $600.0 million Senior Credit Facility.

8-3/4% Senior Subordinated Notes due 2007

In 1997, the Company sold $125.0 million of 8-3/4% Senior Subordinated Notes due 2007 (the "8-3/4% Notes"). In August 2003, the Company redeemed the outstanding 8-3/4% Notes at 102.9% of principal amount plus accrued interest. The aggregate redemption price, including the premium, was $70.8 million.

7-3/8% Senior Subordinated Notes due 2013

In July 2003, the Company issued $100.0 million of 7-3/8% Senior Subordinated Notes due 2013 (the "7-3/8% Notes"). The Company pays interest on the 7-3/8% Notes semi-annually each January and July. The 7-3/8% Notes mature in July 2013 and are guaranteed by certain of the Company's subsidiaries (the "Subsidiary Guarantors"). The 7-3/8% Notes were issued at a discount which is amortized into interest expense over the life of the 7-3/8% Notes. The Company may redeem the 7-3/8% Notes, in whole or in part, at any time on or after July 15, 2008, at redemption prices from 103.7% of the principal amount as of July 15, 2008, and declining to 100.0% on July 15, 2011 and thereafter. Prior to July 15, 2006, the Company may redeem up to 35% of the original aggregate principal amount of the notes at a redemption price of 107.4% of the principal amount thereof plus accrued and unpaid interest, if any, with the proceeds of certain equity offerings. If the Company experiences a change of control, the Company may be required to repurchase all or a portion of the 7-3/8% Notes at 101% of the principal amount the plus accrued and unpaid interest. The 7-3/8% Notes and the guarantees by the Subsidiary Guarantors are general, unsecured obligations and are subordinated to the Company's and the Subsidiary Guarantors senior debt and will be subordinated to future senior debt that the Company and the Subsidiary Guarantors are permitted to incur under the Senior Credit Facility and the indenture governing the 7-3/8% Notes. On June 28, 2004, the Company issued an additional $100.0 million of 7-3/8% Notes. The offering of the additional 7-3/8% Senior Notes, was not registered under the Securities Act of 1933 (the "Act"), as amended or under any state securities laws because the notes were only offered to qualified institutional buyers in compliance with Rule 144A and Regulation S under the Act. The additional 7-3/8% Senior Notes were issued at a discount of $1.9 million which will be amortized into interest expense over the remaining life of the 7-3/8% Senior Notes.

6% Convertible Subordinated Debentures due 2007

In 1996, the Company issued $55.0 million of 6% Convertible Subordinated Debentures due 2007 (the "6% Debentures"). Interest on the 6% Debentures is payable semi-annually each February and August. The 6% Debentures are convertible into shares of the Company's common stock at the option of the holder at a conversion price of $19.25 per share, subject to adjustment in certain events. The 6% Debentures mature in 2007 and are subject to redemption at the Company's option, in whole or in part, at a current redemption price of 102.0% of the principal amount. During the three months ended June 30, 2004, $2.7 million of the 6% Debentures were repurchased and a loss of $34,000 was recorded. During the six month period ended June 30, 2003, $880,000 of the 6% Debentures was retired in exchange for 128,793 shares of the Company's common stock and a $465,000 conversion expense was recorded. On July 26, 2004, $8.9 million of the 6% Debentures was outstanding. The Company announced it will redeem the outstanding 6% Debentures on August 1, 2004. The 6% Debentures are being called at 102.0% of principal amount, plus accrued interest, which will total $9.1 million.

Debt Covenants

The debt agreements contain covenants relating to net worth, working capital, dividends and financial ratios. The Company was in compliance with all covenants at June 30, 2004. Under the Senior Credit Facility, common and preferred dividends are permitted, subject to the provisions of the restricted payment basket. The Senior Credit Facility provides for a restricted payment basket of $20.0 million plus 50% of net income plus 66-2/3% of net cash proceeds

from common stock issuances. Approximately $160.3 million was available under the Senior Credit Facility's restricted payment basket on June 30, 2004. The terms of the 7-3/8% Notes limit restricted payments (including dividends) to the greater of $20.0 million or a formula based on earnings and equity issuances since the original issuance of the notes. At June 30, 2004, approximately $158.4 million was available under the 7-3/8% Notes restricted payments basket.

(7) FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

The Company's financial instruments include cash and equivalents, receivables, payables, debt and commodity and interest rate derivatives. The book value of cash and equivalents, receivables and payables is considered representative of fair value because of their short maturity. The book value of bank borrowings is believed to approximate fair value because of their floating rate structure.

The following table sets forth the book and estimated fair values of financial instruments as of June 30, 2004 and December 31, 2003 (in thousands):

	June 30, 2004		December 31, 2003	
	Book Value	Fair Value	Book Value	Fair Value
Assets				
Cash and equivalents	$ 7,571	$ 7,571	$ 631	$ 631
Accounts receivables	51,412	51,412	37,745	37,745
IPF receivables	8,972	8,972	12,593	12,593
Marketable securities	3,688	3,688	1,765	1,765
Interest rate swaps	879	879	265	265
Commodity swaps and collars	—	—	101	101
Total	72,522	72,522	53,100	53,100
Liabilities				
Commodity swaps and collars	(103,485)	(103,485)	(70,725)	(70,725)
Interest rate swaps	(63)	(63)	(647)	(647)
Long-term debt[(1)]	(525,422)	(524,600)	(358,180)	(358,564)
Total	(628,970)	(628,148)	(429,552)	(429,936)
Net financial instruments	$(556,449)	$(556,627)	$(376,452)	$(376,836)

(1) Fair value based on quotes received from brokerage firms. Quotes as of June 30, 2004 were 99.5% for the 7-3/8% Notes and 102% for the 6% Debentures.

A portion of future oil and gas sales is periodically hedged through the use of swap and collar contracts. Realized gains and losses on these instruments are reflected in the contract month being hedged as an adjustment to oil and gas revenue. At times, the Company seeks to manage interest rate risk through the use of swaps. Gains and losses on interest rate swaps are included as an adjustment to interest expense in the relevant periods.

At June 30, 2004, the Company had open hedging contracts covering 36.2 Bcf of gas at prices averaging $4.15 per mcf, 0.9 million barrels of oil at prices averaging $27.69 per barrel and 0.5 million barrels of NGLs at prices averaging $20.49 per barrel. The Company also has collars covering 31.1 Bcf of gas at weighted averaged floor and cap prices of $4.46 to $7.55 per mcf and 2.1 million barrels of oil at weighted average floor and cap prices of $24.18 to $32.56 per barrel. The 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 June 30, 2004, was a net unrealized pre-tax loss of $103.5 million. The contracts expire monthly through December 2006. Transaction gains and losses on settled contracts are determined monthly and are included as increases or decreases to oil and gas revenues in the period the hedged production is sold. Oil and gas revenues were decreased by $23.2 million and $15.4 million due to hedging in the three months ended June 30, 2004 and 2003, respectively. Other revenues in the Consolidated Statements of Operations include ineffective hedging gains of $971,000 and losses of $2.1 million in the three months ended June 30, 2004 and 2003, respectively.

The following schedule shows the effect of closed oil and gas hedges since January 1, 2003 (in thousands):

Quarter Ended		Hedging Gain (Loss)
2003		
March 31		$ (25,890)
June 30		(15,365)
September 30		(12,257)
December 31		(6,915)
	Subtotal	(60,427)
2004		
March 31		(16,897)
June 30		(23,244)
	Subtotal	(40,141)
	Total net realized loss	$(100,568)

The Company uses interest rate swap agreements to manage the interest rate risk. Under the interest swap agreements, the Company agrees to pay an amount equal to a specified fixed rate of interest times a notional principal amount, and to receive in return, a specified variable rate of interest times the same notional principal amount. Changes in the fair value of interest rate swaps, which qualify for cash flow hedge accounting treatment, are reflected as adjustments to OCI to the extent the swaps are effective and are recognized as an adjustment to interest expense during the period in which the cash flows related to the interest payments are made. The ineffective portion of the changes in fair value of the interest rate swaps is recorded in interest expense in the period incurred. Interest expense was decreased by $320,000 and $154,000 for ineffective hedging gains in the three months ended June 30, 2004 and 2003, respectively. At June 30, 2004, the Company had five interest rate swap agreements totaling $65.0 million. These swaps consist of two agreements totaling $20.0 million at rates of 2.3% which expire in December 2004, one agreement for $10.0 million at 1.4% which expires in June 2005 and two agreements totaling $35.0 million at 1.8% which expire in June 2006. The fair value of the swaps at June 30, 2004 was a net unrealized pre-tax gain of $816,000.

The combined fair value of net unrealized losses on oil and gas hedges and net unrealized gain on interest rate swaps totaled $102.7 million and appear as short-term and long-term unrealized derivative gains and losses on the balance sheet. Hedging activities are conducted with major financial and commodities trading institutions which management believes are acceptable credit risks. At times, such risks may be concentrated with certain counterparties. The creditworthiness of the counterparties is subject to periodic review.

The following table sets forth quantitative information of derivative instruments at June 30, 2004 (in thousands):

	As of June 30, 2004	
	Assets	Liabilities
Commodity swaps	$ —	$(86,165)[a]
Commodity collars	$ —	$(17,320)[b]
Interest rate swaps	$879	$ (63)

(a) $43.6 million, $41.7 million and $900,000 is expected to be reclassified to income in 2004, 2005 and 2006, respectively, if prices remain constant.

(b) $5.5 million, $9.1 million and $2.7 million is expected to be reclassified to income in 2004, 2005 and 2006, respectively, if prices remain constant.

(8) COMMITMENTS AND CONTINGENCIES

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

(9) STOCKHOLDERS' EQUITY

The Company has authorized capital stock of 110 million shares, including 100 million shares of common stock and 10 million shares of preferred stock. On June 16, 2004, the Company issued 12,190,000 shares of its common stock at an offering price of $12.25. The Company recorded net proceeds of $143.4 million. In September 2003, the Company issued 1.0 million shares of Convertible Preferred, par value $1.00 and liquidation preference $50 per share. The Convertible Preferred is convertible into common stock at $8.50 per share. Each share is non-voting. Beginning on September 30, 2007, the Company may, at its sole election, redeem the Convertible Preferred for cash at 103% and declines to 100% on September 30, 2012. Beginning on September 30, 2005, the Company may cause the Convertible Preferred to convert, in whole but not in part, into common stock if, at the time, the common stock has closed at $11.90 or higher for 20 of the previous consecutive 30 trading days. Accrued dividends are cumulative and are payable quarterly in arrears.

The following is a schedule of changes in the number of outstanding common shares from December 31, 2002 to June 30, 2004:

	Six Months Ended June 30, 2004	Twelve Months Ended December 31, 2003
Beginning Balance	56,409,791	54,991,611
Issuances:		
Public offering	12,190,000	—
Stock options exercised	568,739	687,385
Stock purchase plan	—	87,500
Director compensation	24,000	36,000
Deferred compensation plan	1,167	35,350
In lieu of salaries and bonuses	75,996	380,588
Contributed to 401K plan	—	62,564
Exchange for debt	—	128,793
	12,859,902	1,418,180
Ending Balance	69,269,693	56,409,791

(10) STOCK OPTION AND PURCHASE PLANS

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

	Active			Inactive		
	1999 Plan	Directors' Plan	Non-Employee Plan	1989 Plan	Domain Plan	Total
Outstanding on December 31, 2003	3,319,297	204,000	—	235,174	72,664	3,831,135
Granted	1,308,500	48,000	—	—	—	1,356,500
Exercised	(395,684)	(8,000)	—	(93,124)	(72,664)	(569,472)
Expired	(11,759)	(12,000)	—	—	—	(23,759)
	901,057	28,000	—	(93,124)	(72,664)	763,269
Outstanding on June 30, 2004	4,220,354	232,000	—	142,050	—	4,594,404

In 1999, shareholders approved a stock option plan (the "1999 Plan") where up to 9.25 million options can be granted. All options issued under the 1999 Plan through May 2002 vest over 4 years and have a maximum term of 10 years, while options issued after May 2002 vest over a three year period and have a maximum term of five years. During the six months ended June 30, 2004, 1.3 million options were granted to eligible employees at exercise prices ranging from $10.48 to $11.30 a share. At June 30, 2004, 4.2 million options were outstanding at exercise prices ranging from $1.94 to $12.13 a share.

In 1994, shareholders approved the Outside Directors' Stock Option Plan (the "Directors' Plan") where up to 300,000 options can be granted. Director's options are granted upon initial election as a director and annually upon a director's re-election at the annual meeting. At June 30, 2004, 232,000 options were outstanding under the Directors' Plan at exercise prices ranging from $2.81 to $11.30 a share. This plan will expire in December 2004.

On May 19, 2004 shareholders approved the Non-Employee Director Stock Option Plan (the "Non-Employee Plan"). The maximum number of options issuable is 300,000. The term of the options will not exceed a period of ten years. At June 30, 2004, there were no options outstanding under this plan.

The Company maintains the 1989 Stock Option Plan (the "1989 Plan") which authorized the issuance of 3.0 million options. No options have been granted under the plan since 1999. Options issued under the 1989 Plan vested over a three year period and expire in ten years. At June 30, 2004, 142,050 options remained outstanding under the 1989 Plan at exercise prices ranging from $2.63 to $7.63 a share. The last of these options expire in 2009.

The Domain stock option plan was adopted when that company was acquired in 1998. In January 2004, all outstanding options were exercised and the plan was terminated.

In total, approximately 4.6 million options were outstanding at June 30, 2004 at exercise prices of $1.94 to $12.13 a share as follows:

Range of Exercise Prices	Average Exercise Price	Active: 1999 Plan	Active: Directors' Plan	Inactive: 1989 Plan	Total
$ 1.94 - $ 4.99	$ 3.54	568,425	48,000	80,500	696,925
$ 5.00 - $ 9.99	$ 5.91	2,350,129	136,000	61,550	2,547,679
$10.00 - - $12.13	$10.54	1,301,800	48,000	—	1,349,800
Total	$ 6.91	4,220,354	232,000	142,050	4,594,404

In 1997, shareholders approved a plan (the "Stock Purchase Plan") where up to 1.75 million shares of common stock could be sold to officers, directors, employees and consultants. Under the Stock Purchase Plan, the right to purchase shares at prices ranging from 50% to 85% of market value may be granted. To date, all purchase rights have been granted at 75% of market. Due to the discount from market value, the Company recorded additional compensation expense of $122,000 in the six months ended June 30, 2003. Through June 30, 2004, 1,377,319 shares have been sold under the Stock Purchase Plan. At June 30, 2004, there were no rights outstanding to purchase shares.

During 2003, the Company issued 234,000 restricted shares of its common stock as a compensation to directors, officers and employees of the Company. The restricted share grants included 136,000 issued to directors (which vested immediately) and 98,000 to officers and employees with vesting over a three year period. In May 2004, the Company issued 70,900 restricted shares of its common stock as compensation to directors, officers and employees of the Company. The restricted grants included 24,000 issued to directors (with immediate vesting) and 46,900 to offices and employees with vesting over a three year period. The Company recorded compensation expense of $116,000 and $233,000 during the three month and six month periods ended June 30, 2004 related to these grants.

(11) DEFERRED COMPENSATION

In 1996, the Board of the Company adopted a deferred compensation plan (the "Plan"). The Plan allows certain senior employees and directors to defer all or a portion of their salaries and bonuses and invests such amounts in common stock of the Company or makes other investments at the employee's discretion. Great Lakes also has a deferred compensation plan that allows certain employees to defer all or a portion of their salaries and bonuses and invest such amounts in certain investments at the employee's discretion. The assets of the plans are held in a rabbi trust (the "Rabbi Trust") and, therefore, are available to satisfy the claims of the Company's creditors in the event of bankruptcy or insolvency of the Company. The Company's stock held in the Rabbi Trust is treated in a manner similar to treasury stock with an offsetting amount reflected as a deferred compensation liability of the Company. The carrying value of the deferred compensation liability is adjusted to fair value each reporting period by a charge or credit to general and administrative expense on the Company's Consolidated Statements of Operations. The assets of the Rabbi Trust, other than common stock of the Company, are invested in marketable securities and reported at market value in other assets on the Company's Consolidated Balance Sheets. The deferred compensation liability on the Company's balance sheet reflects the market value of the marketable securities and the Company's common stock held in the Rabbi Trust. The cost of common stock held in the Rabbi Trust is shown as a reduction to stockholders' equity. Changes in the market value of the marketable securities are reflected in OCI, while changes in the market value of the common stock held in the Rabbi Trust is charged or credited to general and administrative expense each quarter. The Company recorded mark-to-market expense related to the Company stock held in the Rabbi Trust of $4.3 million and $911,000 in the three months ended June 31, 2004 and 2003, respectively and $8.7 and $1.3 million in the six months ended June 30, 2004 and 2003, respectively.

(12) BENEFIT PLAN

The Company maintains a 401(k) Plan that permits employees to contribute a portion of their salary, subject to Internal Revenue Service limitations, on a pre-tax basis. Historically, the Company has made discretionary contributions of its common stock to the 401(k) Plan annually. All Company contributions become fully vested after the individual employee has three years of service with the Company. In 2003, 2002 and 2001, the Company

contributed common stock valued at $610,000, $602,000 and $554,000 at then market values, respectively, to the 401(k) Plan. The Company does not require that employees hold the contributed stock in their account. Employees have a variety of investment options in the 401(k) Plan and may, at any time, diversify out of the Company's common stock based on their personal investment strategy.

(13) INCOME TAXES

The Company follows SFAS No. 109, "Accounting for Income Taxes," pursuant to which the liability method is used. Under this method, deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and regulations that will be in effect when the differences are expected to reverse. The significant components of deferred tax liabilities and assets on June 30, 2004 and December 31, 2003 were as follows (in thousands):

	June 30, 2004	December 31, 2003
Deferred tax assets(liabilities)		
Net unrealized loss in OCI	$ 37,137	$ 24,620
Other	(23,352)	(15,592)
Net deferred tax asset	$ 13,785	$ 9,028

At December 31, 2003, deferred tax assets exceeded deferred tax liabilities by $9.0 million with $24.6 million of deferred tax assets related to deferred hedging losses included in OCI. Based on the Company's recent profitability and its current outlook, no valuation allowance was deemed necessary at December 31, 2003. At June 30, 2004, deferred tax assets exceeded deferred tax liabilities by $13.8 million with $37.1 million of deferred tax assets related to hedging losses in OCI.

At December 31, 2003, the Company had regular net operating loss ("NOL") carryovers of $188.8 million and alternative minimum tax ("AMT") NOL carryovers of $161.0 million that expire between 2012 and 2021. At December 31, 2003, the Company had an AMT credit carryover of $2.4 million which is not subject to limitation or expiration.

(14) EARNINGS PER SHARE

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Numerator:				
Income before cumulative effect of change in accounting principle	$ 8,189	$ 4,591	$14,809	$ 9,954
Preferred dividends	(737)	—	(1,475)	—
Numerator for basic earnings per share before cumulative effect of change in accounting principle	7,452	4,591	13,334	9,554
Cumulative effect of accounting change	—	—	—	4,491
Numerator for basic earnings per share	$ 7,452	$ 4,591	$13,334	$14,045
Income before cumulative effect of change in accounting principle	$ 7,452	$ 4,591	$13,334	$ 9,554
Effect of dilutive securities	—	—	—	—
Numerator for diluted earnings per share before cumulative effect	7,452	4,591	13,334	9,554
Cumulative effect of accounting change	—	—	—	4,491
Numerator for diluted earnings per share after assumed conversions and cumulative effect of change in accounting principle	$ 7,452	$ 4,591	$13,334	$14,045
Denominator:				
Weighted average shares outstanding	58,988	55,682	57,817	55,440
Stock held by employee benefit trust	(1,673)	(1,520)	(1,672)	(1,424)
Weighted average shares, basic	57,315	54,162	56,145	54,016
Effect of dilutive securities:				
Weighted average shares outstanding	58,988	55,682	57,817	55,440
Employee stock options	1,257	486	1,131	404
Dilutive potential common shares for diluted earnings per share	60,245	56,168	58,948	55,844
Earnings per share basic and diluted:				
Before cumulative effect of accounting change				
- Basic	$ 0.13	$ 0.08	$ 0.24	$ 0.18
- Diluted	$ 0.12	$ 0.08	$ 0.23	$ 0.17
After cumulative effect of accounting change				
- Basic	$ 0.13	$ 0.08	$ 0.24	$ 0.26
- Diluted	$ 0.12	$ 0.08	$ 0.23	$ 0.25

Options to purchase 634,000 shares of common stock were outstanding but not included in the computations of diluted net income per share for the three months ended June 30, 2003 because the exercise prices of the options were greater than the average market price of the common shares and would be anti-dilutive to the computations. Also, options to purchase 6,000 shares and 634,000 shares of common stock were outstanding but not

included in the computations of diluted net income per share for the six months ended June 30, 2004 and 2003. The 6% Debentures and the 5.9% Preferred were also not included for all periods presented because their inclusion would have been anti-dilutive.

(15) MAJOR CUSTOMERS

The Company markets its production on a competitive basis. Gas is sold under various types of arrangements ranging from short-term contracts that are cancelable within 30 days or less to life of well contracts. The price for oil is generally equal to a posted price set by major purchasers in the area. The Company sells to oil purchasers on the basis of price and service and may be changed on 30 days notice. For the six months ended June 30, 2004, two customers, Duke Energy Field Services, Inc. and Louis Dreyfus Natural Gas Corp., accounted for 16%, and 13%, respectively, of oil and gas revenues. Management believes that the loss of any one customer would not have a material long-term adverse effect on the Company. The creditworthiness of our customers is subject to periodic review.

(16) OIL AND GAS ACTIVITIES

The following summarizes selected information with respect to producing activities. Exploration costs include capitalized as well as expensed outlays (in thousands):

	Six Months Ended June 30, 2004	Year-Ended December 31, 2003
Book value		
Properties subject to depletion	$1,707,572	$1,350,616
Unproved properties	12,119	12,195
Total	1,719,691	1,362,811
Accumulated depletion	(661,301)	(639,429)
Net	$1,058,390	$ 723,382
Costs incurred		
Acquisitions:		
Proved oil and gas properties	$ 303,962	$ 90,723
Unproved leasehold	5,636	5,580
Gas gathering facilities	14,429	4,622
Development	50,952	83,433
Exploration[(a)]	12,558	22,564
Subtotal	387,537	206,922
Asset retirement obligations	866	4,597
Total	$ 388,403	$ 211,519

(a) Includes $7,767 and $13,946 of exploration costs expensed in the six months ended June 30, 2004 and the twelve months ended December 31, 2003, respectively.

(17) INVESTMENT IN GREAT LAKES

Prior to June 23, 2004 the Company owned 50% of Great Lakes. The Company acquired the remaining 50% interest in Great Lakes on June 23, 2004. The Company consolidates its proportionate interest in the joint venture's assets, liabilities, revenues and expenses. The following table summarizes the 50% interest in Great Lakes financial statements as of or for the six months ended June 30, 2004 and 2003 (in thousands):

	June 30, 2004	June 30, 2003
Statement of Operations		
Revenues	$29,914	$ 28,147
Direct operating expense	5,052	4,842
Production taxes	258	204
Exploration expense	1,205	781
G&A expense	1,125	930
Interest expense	923	2,281
DD&A	6,840	7,126
Pretax income	14,511	11,983
Cumulative effect of change in accounting principle (before income taxes)	—	1,601
Net income	14,511	13,584
Balance Sheet		
Current assets		$ 11,365
Oil and gas properties, net		209,601
Transportation and field assets, net		15,004
Unrealized derivative gain		99
Other assets		347
Current liabilities		25,322
Unrealized derivative loss		8,170
Asset retirement obligation		17,657
Long-term debt		73,500
Members' equity		111,767

(18) RETIREMENT OF SECURITIES

In the second quarter of 2004, $2.7 million of the 6% Debentures were repurchased for cash and a loss of $34,300 was recorded on the transaction. In the second quarter of 2003, $500,000 of the 8-3/4% Notes were repurchased for cash and a loss of $10,400 was recorded on the transaction. In addition, in the six months of 2003, $400,000 of the Trust Preferred Securities were repurchased for cash and $880,000 of the 6% Debentures was exchanged for common stock. A gain of $150,000 was recorded on the cash transaction and a $465,000 conversion expense was recorded on the exchange transaction.

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

Factors Affecting Financial Condition and Liquidity

Critical Accounting Policies

The Company's discussion and analysis of its financial condition and results of operation are based upon unaudited consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires the Company to make estimates and judgments that affect what is reported in the financial statements and related footnote disclosures. Application of certain of the Company's accounting policies, including those related to oil and gas revenues, oil and gas properties, income taxes, and litigation, bad debts, marketable securities, fair value of derivatives, asset retirement obligations, the deferred compensation plan, contingencies and litigation require significant estimates. The Company bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies affect its more significant judgments and estimates used in the preparation of its consolidated financial statements.

Property, Plant and Equipment

Proved reserves are defined by the SEC as those volumes of crude oil, condensate, natural gas liquids and natural gas that geological and engineering data demonstrate with reasonable certainty are recoverable from known reservoirs under existing economic and operating conditions. Proved developed reserves are volumes expected to be recovered through existing wells with existing equipment and operating methods. Although the Company's engineers are knowledgeable of and follow the guidelines for reserves as established by the SEC, the estimation of reserves requires the engineers to make a significant number of assumptions based on professional judgment. Reserve estimates are updated at least annually and consider recent production levels and other technical information about each well. Estimated reserves are often subject to future revision, which could be substantial, based on the availability of additional information, including: reservoir performance, new geological and geophysical data, additional drilling, technological advancements, price changes, and other economic factors. Changes in oil and gas prices can lead to a decision to start-up or shut-in production, which can lead to revisions to reserve quantities. Reserve revisions in turn cause adjustments in the depletion rates utilized by the Company. The Company can not predict what reserve revisions may be required in future periods.

Depletion rates are determined based on reserve quantity estimates and the capitalized costs of producing properties. As the estimated reserves are adjusted, the depletion expense for a property will change, assuming no change in production volumes or the costs capitalized. Estimated reserves are used as the basis for calculating the expected future cash flows from a property, which are used to determine whether that property may be impaired. Reserves are also used to estimate the supplemental disclosure of the standardized measure of discounted future net cash flows relating to its oil and gas producing activities and reserve quantities annual disclosure to the consolidated financial statements. Changes in the estimated reserves are considered changes in estimates for accounting purposes and are reflected on a prospective basis.

The Company utilizes the successful efforts method to account for exploration and development expenditures. Unsuccessful exploration wells are expensed and can have a significant effect on operating results. Successful exploration drilling costs and all development costs are capitalized and systematically charged to expense using the units of production method based on proved developed oil and natural gas reserves as estimated by the Company's and independent engineers. Proven leasehold costs are charged to expense using the units of production method based on total proved reserves. Unproved properties are assessed periodically and impairments to value are charged to expense.

The Company monitors its long-lived assets recorded in Property, plant and equipment in the Consolidated Balance Sheet to insure that they are fairly presented. The Company must evaluate its properties for potential impairment when circumstances indicate that the carrying value of an asset could exceed its fair value. A significant amount of judgment is involved in performing these evaluations since the results are based on estimated future events. Such events include a projection of future oil and gas sales prices, an estimate of the ultimate amount of

recoverable oil and natural gas reserves that will be produced, the timing of future production, future production costs, and future inflation. The need to test a property for impairment can be based on several factors, including a significant reduction in sales prices for oil and/or gas, unfavorable adjustment to reserves, or other changes to contracts, environmental regulations, or tax laws. All of these factors must be considered when testing a property's carrying value for impairment. The Company cannot predict whether impairment charges may be recorded in the future.

Derivatives

The Company uses commodity derivative contracts to manage its exposure to oil and gas price volatility. The Company accounts for its commodity derivatives in accordance with SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"). Earnings are affected by the ineffective portion of a hedge contract (changes in realized prices that do not match the changes in the hedge price). Ineffective gains or losses are recorded in other revenue while the hedge contract is open and may increase or reverse until settlement of the contract. This may result in significant volatility to current period income. For derivatives qualifying as hedges, the effective portion of any changes in fair value is recognized in stockholders' equity as other comprehensive income ("OCI") and then reclassified to earnings when the transaction is consummated. This may result in significant volatility in stockholders' equity. The fair value of open hedging contracts is an estimated amount that could be realized upon termination.

The commodity derivatives used by the Company include commodity swaps and collars. While there is a risk that the financial benefit of rising prices may not be captured, management believes the benefits of stable and predictable cash flow are important. Among these benefits are: more efficient utilization of existing personnel and planning for future staff additions, the flexibility to enter into long term projects requiring substantial committed capital, smoother and more efficient execution of the Company's ongoing drilling and production enhancement programs, more consistent returns on invested capital, and better access to bank and other credit markets. The Company also has interest rate swap agreements to protect against the volatility of variable interest rates under its credit facility.

Asset Retirement Obligations

The Company has significant obligations to remove tangible equipment and restore land or seabed at the end of oil and gas production operations. The Company's removal and restoration obligations are primarily associated with plugging and abandoning wells and removing and disposing of offshore oil and gas platforms. Estimating the future asset removal costs is difficult and requires management to make estimates and judgments because most of the removal obligations are many years in the future and contracts and regulations often have vague descriptions of what constitutes removal. Asset removal technologies and costs are constantly changing, as well as regulatory, political, environmental, safety and public relations considerations.

Asset retirement obligations are not unique to the Company or to the oil and gas industry and in 2001, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 143, "Accounting for Asset Retirement Obligations," ("SFAS 143"). The Company adopted this statement effective January 1, 2003, as discussed in Note 3 to the Consolidated Financial Statements. SFAS 143 significantly changed the method of accruing for costs an entity is legally obligated to incur related to the retirement of fixed assets ("asset retirement obligations" or "ARO"). Primarily, the new statement requires the Company to record a separate liability for the discounted present value of the Company's asset retirement obligations, with an offsetting increase to the related oil and gas properties on the Company's Consolidated Balance Sheet.

Inherent in the present value calculation are numerous assumptions and judgments including the ultimate retirement costs, inflation factors, credit adjusted discount rates, timing of retirement, and changes in the legal, regulatory, environmental and political environments. To the extent future revisions to these assumptions impact the present value of the existing ARO liability, a corresponding adjustment is made to the oil and gas property balance. In addition, increases in the discounted ARO liability resulting from the passage of time will be reflected as accretion expense in the Consolidated Statement of Operations.

SFAS 143 required a cumulative adjustment to reflect the impact of implementing the statement had the rule been in effect since inception. The Company, therefore, calculated the cumulative accretion expense on the ARO

liability and the cumulative depletion expense on the corresponding property balance. The sum of this cumulative expense was compared to the depletion expense originally recorded. Because the historically recorded depletion expense was higher than the cumulative expense calculated under SFAS 143, the difference resulted in a $4.5 million gain, net of tax, which the Company recorded as cumulative effect of change in accounting principle on January 1, 2003.

Deferred Taxes

The Company is subject to income and other similar taxes in all areas in which it operates. When recording income tax expense, certain estimates are required because: (a) income tax returns are generally filed months after the close of its calendar year; (b) tax returns are subject to audit by taxing authorities and audits can often take years to complete and settle; and (c) future events often impact the timing of when income tax expenses and benefits are recognized by the Company. The Company has deferred tax assets relating to tax operating loss carry forwards and other deductible differences. The Company routinely evaluates its deferred tax assets to determine the likelihood of their realization. A valuation allowance has not been recognized for deferred tax assets due to management's belief that these assets are likely to be realized. At year-end 2003, deferred tax assets exceeded deferred tax liabilities by $9.0 million with $24.6 million of deferred tax assets related to deferred hedging losses included in OCI. Based on the Company's projected profitability, no valuation allowance was deemed necessary.

The Company occasionally is challenged by taxing authorities over the amount and/or timing of recognition of revenues and deductions in its various income tax returns. Although the Company believes that it has adequate accruals for matters not resolved with various taxing authorities, gains or losses could occur in future years from changes in estimates or resolution of outstanding matters. Currently, none of the consolidated tax returns of the Company are under audit or review by the IRS.

Contingent Liabilities

A provision for legal, environmental, and other contingent matters is charged to expense when the loss is probable and the cost can be reasonably estimated. Judgment is often required to determine when expenses should be recorded for legal, environmental, and contingent matters. In addition, the Company often must estimate the amount of such losses. In many cases, management's judgment is based on interpretation of laws and regulations, which can be interpreted differently by regulators and/or courts of law. Management closely monitors known and potential legal, environmental, and other contingent matters, and makes its best estimate of when the Company should record losses for these based on available information.

Bad Debt Expense

The Company periodically assesses the recoverability of all material trade and other receivables to determine their collectability. At IPF, receivables are evaluated quarterly and provisions for uncollectible amounts are established. Such provisions for uncollectible amounts are recorded when management believes that a receivable is not recoverable based on current estimates of expected discounted cash flows.

Revenues

The Company recognizes revenues from the sale of products and services in the period delivered. Revenues are sensitive to changes in prices received for our products. A substantial portion of production is sold at prevailing market prices, which fluctuate in response to many factors that are outside of the Company's control. Imbalances in the supply and demand for oil and natural gas can have dramatic effects on prices. Political instability and availability of alternative fuels could impact worldwide supply, while economic factors can impact demand. At IPF, payments believed to relate to return are recognized as income. Currently, all receipts are being recognized as a return of capital except for income received on investments having a zero book balance.

Other

The Company records a write down of marketable securities when the decline in market value is considered to be other than temporary. Third party reimbursements for administrative overhead costs incurred by the Company in its role as operator of oil and gas properties are applied to reduce general and administrative expense and at Great

Lakes, partially to operating expense. Salaries and other employment costs of those employees working on the Company's exploration efforts are expensed as exploration expense. The Company does not capitalize general and administrative expense or interest expense.

Liquidity and Capital Resources

During the six months ended June 30, 2004, the Company spent $387.5 million on development, exploration, and acquisitions. During the six month period ending June 30, 2004, total debt increased $167.2 million. At June 30, 2004, the Company had $7.6 million in cash, total assets of $1.2 billion and, a debt to capitalization ratio of 56%. Available borrowing capacity at June 30, 2004 was $180.0 million on the Senior Credit Facility. Long-term debt at June 30, 2004 totaled $525.4 million, including $320.0 million of Senior Credit Facility debt, $196.5 million of 7-3/8% Notes and $8.9 million of 6% Debentures.

Cash is required to fund capital expenditures necessary to offset inherent declines in production and proven reserves which is typical in the 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. The Company believes that net cash generated from operating activities and unused committed borrowing capacity under the credit facilities combined with the oil and gas price hedges currently in place 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 industry. A material drop in oil and gas prices or a reduction in production and reserves would reduce the Company's ability to fund capital expenditures, reduce debt, meet financial obligations and remain profitable. The Company operates 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. The Company's ability to expand its reserve base is, in part, dependent on obtaining sufficient capital through internal cash flow, borrowings 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.

The debt agreements contain covenants relating to net worth, working capital, dividends, and financial ratios. The Company was in compliance with all covenants at June 30, 2004. Under the Senior Credit Facility, common and preferred dividends are permitted, subject to the terms of the restricted payment basket. The Senior Credit Facility provides for a restricted payment basket of $20.0 million plus 50% of net income plus 66-2/3% of net cash proceeds from common stock issuances occurring since December 31, 2001. Approximately $160.3 million was available under the Senior Credit Facility's restricted payment basket on June 30, 2004. The terms of the 7-3/8% Notes limit restricted payments (including dividends) to the greater of $20.0 million or a formula based on 50% of net income since October 1, 2003 and 100% of net cash proceeds from common stock issuances. Approximately $158.4 million was available under the 7-3/8% Notes restricted payment basket on June 30, 2004.

The following summarizes the Company's contractual financial obligations at June 30, 2004 and their future maturities. The Company expects to fund these contractual obligations with cash generated from operating activities and refinancing proceeds.

	Payment due by period				
	Remainder of 2004	2005 and 2006	2007 and 2008	Thereafter	Total
Long-term debt[a]	$ —	$ —	$328,904	$200,000	$528,904
Operating leases	1,284	3,747	698	—	5,729
Seismic purchase	359	215	—	—	574
Derivative obligations[b]	49,146	53,523	—	—	102,669
Asset retirement obligation liability	7,404	23,807	5,279	32,208	68,698
Total contractual obligations[c]	$58,193	$81,292	$334,881	$232,208	$706,574

(a) Due at termination dates for each of the Company's credit facilities, which the Company expects to renew, but there is no assurance that can be accomplished.

(b) Derivative obligations represent net open hedging contracts valued as of June 30, 2004.

(c) This table does not include the liability for the deferred compensation plan since these obligations will be funded with existing plan assets.

Total long-term debt at June 30, 2004, was $525.4 million. Long-term debt of $320.0 million was subject to floating interest rates (of which $65.0 million is subject to interest rate swap agreements) and $205.4 million of debt had a fixed interest rate. The table below describes the Company's required annual fixed interest payments on these debt instruments (in thousands).

Security	Amount	Annual Interest	Interest Payable	Maturity
7.375% Notes	$200,000	$14,750	January, July	2013
6% Debentures	8,904	534	February, August	2007
	$208,904	$15,284		

Cash Flow

The Company's principal sources of cash are operating cash flow, and bank borrowings and at times, issuance of debt and equity securities. The Company's cash flow is highly dependent on oil and gas prices. The Company has entered into hedging swap agreements covering 36.2 Bcf of gas, 0.9 million barrels of oil and 0.5 million barrels of NGLs. The Company also has collars covering 31.1 Bcf of gas and 2.1 million barrels of oil. The $62.2 million of drilling related capital expenditures in the six months ended June 30, 2004 was funded with internal cash flow. Net cash provided by operations for the six months ended June 30, 2004 and 2003 was $81.4 million and $53.8 million, respectively. Cash flow from operations was higher than the prior year due to higher prices and volumes and lower interest expense partially offset by higher exploration and direct operating and production tax expenses. Net cash used in investing for the six months ended June 30, 2004 and 2003 was $312.0 million and $46.0 million, respectively. The 2004 period included $62.2 million of additions to oil and gas properties and $253.6 million of acquisitions. The 2003 period included $42.6 million of additions to oil and gas properties. Net cash provided by (used in) financing for the six months ended June 30, 2004 and 2003 was $237.6 million and ($7.8 million), respectively. This increase was primarily the result of proceeds received from the issuance of $100.0 million of 7-3/8% Notes and $143.4 million received from the issuance of 12.2 million shares of common stock. These proceeds were used to purchase the 50% of Great Lakes not owned by the Company. During the first six months of 2004, total debt increased $167.2 million including an increase of $95.4 million of subordinated debt and $71.8 million of Senior Facility debt.

Dividends to Stockholders

On April 12, 2004, the Board of Directors declared a dividend of one cent per share ($569,000) on the Company's common stock, payable on May 31, 2004 to stockholders of record at the close of business on May 14, 2004. Also, in January of 2004, the Company paid common stock dividends of $565,000.

Capital Requirements

The 2004 capital budget is currently set at $149.0 million (excluding acquisitions) and based on current projections, the capital budget is expected to be funded with internal cash flow. During the six months ended June 30, 2004, $63.5 million of development and exploration spending was funded with internal cash flow.

Banking

The Company maintains a $600.0 million revolving Senior Credit Facility. The facility is secured by substantially all the borrowers' assets. Availability under the facilities is subject to a borrowing base set by the banks semi-annually and in certain other circumstances more frequently. Redeterminations, other than increases, require the approval of 75% of the lenders while increases require unanimous approval. At July 26, 2004, the Senior Credit Facility had a $500.0 million borrowing base of which $174.3 million was available.

Hedging – Oil and Gas Prices

The Company enters into hedging agreements to reduce the impact of oil and gas price volatility on its operations. At June 30, 2004, swaps were in place covering 36.2 Bcf of gas at prices averaging $4.15 per Mmbtu, 0.9 million barrels of oil at prices averaging $27.69 per barrel and 0.5 million barrels of NGLs at prices averaging $20.49 per barrel. The Company also has collars covering 31.1 Bcf of gas at weighted average floor and cap prices of $4.46 to $7.55 per mcf and 2.1 million barrels of oil at prices of $24.18 to $32.56 per barrel. Their fair value at June 30, 2004 (the estimated amount that would be realized on termination based on contract price and a reference price, generally NYMEX) was a net unrealized pre-tax loss of $103.5 million. Gains and losses are determined monthly and are included as increases or decreases in oil and gas revenues in the period the hedged production is sold. An ineffective portion (changes in contract prices that do not match changes in the hedge price) of open hedge contracts is recognized in earnings in other revenue as it occurs. Net decreases to oil and gas revenues from hedging were $23.2 million and $15.4 million for the three months ended June 30, 2004 and 2003, respectively and decreases of $40.1 million and $41.3 million for the six months ended June 30, 2004 and 2003, respectively.

At June 30, 2004, the following commodity derivative contracts were outstanding:

Contract Type	Period	Volume Hedged	Average Hedge Price
Natural gas			
Swaps	July-December 2004	89,663 MMBtu/day	$ 4.04
Swaps	2005	50,695 MMBtu/day	$ 4.21
Swaps	2006	3,288 MMBtu/day	$ 4.85
Collars	July-December 2004	33,554 MMBtu/day	$ 5.59-$7.17
Collars	2005	48,524 MMBtu/day	$ 4.69-$7.55
Collars	2006	19,863 MMBtu/day	$ 4.46-$7.08
Crude oil			
Swaps	July-December 2004	2,822 Bbl/day	$ 28.37
Swaps	2005	1,146 Bbl/day	$ 26.84
Collars	July-December 2004	2,750 Bbl/day	$24.18-$27.94
Collars	2005	3,015 Bbl/day	$26.22-$32.40
Collars	2006	1,364 Bbl/day	$27.29-$32.56
Natural gas liquids			
Swaps	July-December 2004	1,377 Bbl/day	$ 21.88
Swaps	2005	658 Bbl/day	$ 19.20

Interest Rates

At June 30, 2004, the Company had $525.4 million of debt outstanding. Of this amount, $205.4 million bore interest at fixed rates averaging 7.3%. Senior Credit Facility debt totaling $320.0 million bore interest at floating rates which averaged 2.8% at June 30, 2004. At times, the Company enters into interest rate swap agreements to limit the impact of interest rate fluctuations on its floating rate debt. At June 30, 2004, the Company had interest rate swap agreements totaling $65.0 million. These swaps consist of $20.0 million at rates averaging 2.3% which expire in December 2004, $10.0 million at 1.4% which expires in June 2005 and $35.0 million at 1.8% which expire in June 2006. The fair value of the swaps, based on then current quotes for equivalent agreements at June 30, 2004 was a net gain of $816,000. The 30 day LIBOR rate on June 30, 2004 was 1.4%.

Inflation and Changes in Prices

The Company's revenues, the value of its assets, its 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. Oil and gas prices are subject to significant fluctuations that are beyond the Company's ability to control or predict. During the first six

months of 2004, the Company received an average of $34.08 per barrel of oil and $5.39 per mcf of gas before hedging compared to $28.98 per barrel of oil and $5.60 per mcf of gas in the same period of the prior year. Although certain of the Company's costs and expenses are affected by general inflation, inflation does not normally have a significant effect on the Company. During 2003, the Company experienced a modest overall increase in drilling and operational costs when compared to the prior year. Increases in commodity prices can cause inflationary pressures specific to the industry to also increase certain costs. The Company expects an increase in these costs during the next twelve months, particularly an increase in the cost of tubulars.

Results of Operations

Volumes and sales data:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Production:				
Crude oil (bbls)	586,074	528,450	1,132,859	1,017,516
NGLs (bbls)	238,336	102,150	469,411	196,223
Natural gas (mcfs)	11,585,072	10,619,549	23,061,527	20,977,908
Total (mcfe)	16,531,529	14,403,146	32,675,147	28,260,342
Average daily production:				
Crude oil (bbls)	6,440	5,807	6,224	5,622
NGLs (bbls)	2,619	1,123	2,579	1,084
Natural gas (mcfs)	127,308	116,698	126,712	115,900
Total (mcfe)	181,665	158,276	179,534	156,134
Average sales prices (excluding hedging):				
Crude oil (per bbl)	$ 35.87	$ 26.71	$ 34.08	$ 28.98
NGLs (per bbl)	$ 22.18	$ 18.46	$ 21.75	$ 19.28
Natural gas (per mcf)	$ 5.57	$ 5.15	$ 5.39	$ 5.60
Total (per mcfe)	$ 5.49	$ 4.91	$ 5.30	$ 5.38
Average sales price (including hedging):				
Crude oil (per bbl)	$ 27.11	$ 23.14	$ 25.79	$ 23.38
NGLs (per bbl)	$ 19.71	$ 18.46	$ 19.36	$ 19.28
Natural gas (per mcf)	$ 4.05	$ 3.88	$ 4.10	$ 3.91
Total (per mcfe)	$ 4.09	$ 3.84	$ 4.07	$ 3.88

The following table identifies certain items included in the results of operations and is presented to assist in comparing the second quarter and year-to-date 2004 to the same periods of the prior year. The table should be read in conjunction with the following discussions of results of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
Increase (decrease) in revenues:				
Gain (loss) on retirement of securities	$ (34)	$ (10)	$ (34)	$ 140
Debt conversion and extinguishment expense	—	—	—	(465)
Ineffective portion of commodity hedges gain (loss)	971	(2,075)	(583)	(1,271)
Gain from sales of assets	11	69	10	157
Realized hedging gains (losses)	(23,244)	(15,365)	(40,141)	(41,255)
	$(22,296)	$(17,381)	$(40,748)	$(42,694)
Increase (decrease) to expenses:				
Mark-to-market deferred compensation adjustment	$ 4,303	$ 912	$ 8,688	$ 1,297
Bad debt expense accrual	—	75	—	150
Net adjustment to IPF valuation allowance	305	299	834	558
Ineffective interest rate swaps	(320)	(154)	(1,119)	(83)
	$ 4,288	$ 1,132	$ 8,403	$ 1,922
Cumulative effect of change in accounting principle (net of tax)	$ —	$ —	$ —	$ 4,491

Comparison of 2004 to 2003

Overview

The Company's business strategy of drill bit growth in reserves and production supplemented by complementary acquisitions is evident in the year-to-date 2004 operating and financial performance. Production rose 15% over the second quarter of last year and 2.4% higher than the previous quarter of this year. Realized oil and gas prices were 7% higher in the second quarter of 2004 compared to the second quarter of 2003.

The most significant event impacting the second quarter of 2004 balance sheet was the June 23, 2004 acquisition of the 50% interest in Great Lakes Energy Partners LLC not already owned by the Company. Though only seven days of operating results for the 50% acquired interest are reflected in the June 30, 2004 financial statements, the impact to the balance sheet included increases of $143.4 million in common equity and $98.1 million in long term debt issued to finance the $298.6 million purchase. Non-acquisition capital spending totaled $36.8 for the second quarter of 2004 compared to $26.2 for the same period last year.

In the second quarter of 2004 continued progress was made to reduce unit costs with year to date unit cost reductions evident in direct operating expense, interest expense, cash general and administrative expense and depreciation expense. Increases in drilling activity has placed upward pricing pressure on oil field goods and services. Managing our costs in this environment of high oil and gas prices and increasing competition will be challenging. Tubular goods in particular remain in short supply in some areas. Although several of our peer companies have recently been acquired by other firms and consolidation in the upstream oil and gas exploration and production sector continues, we have witnessed continued competition in the acquisition of quality oil and gas properties. These recent trends, however, reinforce our strategy of relying first upon drill bit growth and second upon complementary acquisition to increase production and reserves.

Quarters Ended June 30, 2004 and 2003

Net income in the second quarter of 2004 totaled $8.2 million, compared to $4.6 million in the prior year period. Production increased to 181.7 Mmcfe per day, a 15% increase from the prior year period. The production increase was due primarily to the December 2003 Conger Field acquisition and the success of the Company's drilling program. Oil and gas revenues also increased due to a 7% increase in average realized prices to $4.09 per mcfe. The average realized price for oil increased 17% to $27.11 per barrel, increased 4% for gas to $4.05 per mcf and increased 7% for NGLs to $19.71 per barrel. Production expenses increased 9% to $10.4 million as a result of costs related to the Conger Field properties acquired in December 2003. Production expenses (excluding production taxes) per mcfe produced averaged $0.63 in 2004 versus $0.66 in 2003. Production taxes averaged $0.29 per mcfe in 2004 versus $0.22 per mcfe in 2003. Production taxes are paid on market prices not on hedged prices.

Transportation and gathering net revenues are reflected net of expenses. Total net revenues declined 63% to $344,000 in 2004. The major components of the decline include lower transportation and gathering revenues ($124,000), higher marketing expenses ($58,000), additional gas transportation system employee expense related to the Conger Field acquisition ($336,000) and higher gas processing expenses ($86,000). Loss on retirement of securities in 2004 includes a $34,000 loss on the purchase of $2.7 million of 6% Debentures. Loss on retirement of securities in 2003 includes $10,400 loss on the purchase of $500,000 of 8-3/4% Notes.

Other income reflected a gain of $833,000 in the second quarter of 2004 versus a loss of $2.1 million in the second quarter of 2003. The 2004 period includes $971,000 of ineffective hedging gains and $325,000 gain on asset retirement obligations. Other income for 2004 also includes IPF revenues of $9,000 offset by $252,000 of administrative costs, and $305,000 net increase to the valuation account. Other income in the 2003 period included $2.1 million of ineffective hedging losses offset by $69,000 of gains on asset sales. Other income for 2003 also included IPF revenues of $428,000 offset by $209,000 of administrative costs, $59,000 of interest and a $299,000 increase in the valuation allowance.

Exploration expense increased $1.5 million to $4.2 million in 2004 due to higher dry hole costs ($1.2 million) and higher seismic costs ($139,000). General and administrative expenses increased $4.0 million in the quarter with higher non-cash mark-to-market expense relating to the deferred compensation plan along with higher director fees and salaries and wages. The mark-to-market deferred compensation adjustment included in general and administrative expense was $4.3 million in the three months ended June 30, 2004 versus $912,000 in the same period of the prior year. (See Note 11 to the consolidated financial statements).

Interest expense decreased 15% to $4.4 million primarily due to lower average debt balances, interest rates and higher gains on ineffective portion of interest hedges. Total debt was $525.4 million and $358.1 million at June 30, 2004 and 2003, respectively. The average interest rates, including fixed and variable rate debt (excluding hedging), were 4.6% and 4.9% at June 30, 2004 and 2003, respectively.

DD&A expense increased 5% from the second quarter of 2003 due to higher production. Accretion expense of $1.0 million and $1.2 million is included in DD&A expense in the three month periods ending June 30, 2004 and 2003, respectively. The DD&A rate per mcfe for the second quarter of 2004 was $1.36, a $0.12 decrease from the rate for the second quarter of 2003. The decrease is due to lower amortization of unproved property ($0.04), lower accretion expense ($0.02) and lower average depletion rates ($0.05). The DD&A rate is determined based on year-end reserves and the associated net book value and, to a lesser extent, depreciation on other assets owned.

Income taxes reflected an expense of $4.9 million in the second quarter of 2004 versus $2.5 million in the second quarter of 2003.

Six Month Periods Ended June 30, 2004 and 2003

Net income in the first six months of 2004 totaled $14.8 million, compared to $14.0 million in the prior year period. The first six months of 2003 includes a favorable effect of $4.5 million on adoption of a new accounting principle. Production increased to 179.5 Mmcfe per day, a 15% increase from the prior year period. The production increase was due primarily to the December 2003 Conger Field acquisition and the recent success of the Company's drilling program. Oil and gas revenues also increased due to a 5% increase in average realized prices to $4.07 per mcfe. The average prices realized for oil increased 10% to $25.79 per barrel, increased 5% for gas to $4.10 per mcf and increased 1% for NGLs to $19.36 per barrel. Production expenses increased 7% to $20.4 million as a result of additional costs related to the Conger Field properties acquired in December 2003. Production expenses (excluding

production taxes) per mcfe produced averaged $0.63 in 2004 versus $0.67 in 2003. Production taxes averaged $0.27 per mcfe in 2004 versus $0.24 per mcfe in 2003. Production taxes are paid on market prices not on hedged prices.

Transportation and gathering net revenues are reflected net of expenses. Total net revenues declined 59% to $811,000 in 2004. The major components of the decline include lower transportation and gathering revenues ($407,000), higher marketing expenses ($122,000), additional gas transportation system employee expense related to the Conger Field acquisition ($532,000) and higher gas processing expenses ($145,000). Loss on retirement of securities in 2004 includes a $34,000 loss on the sale of $2.7 million of 6% Debentures. Loss on retirement of securities in 2003 includes $150,000 gain on the sale of $400,000 of Trust Preferred Securities and offset by a loss of $10,400 on the sale of $500,000 of 8-3/4% Notes and a $465,000 conversion expense related to an $880,000 exchange of 6% Debentures.

Other income reflected a loss of $1.5 million in the six months of 2004 versus a loss of $1.2 million in the same period of 2003. The 2004 period includes $583,000 of ineffective hedging losses offset by a $133,000 gain on asset retirement obligations. Other income for 2004 also includes IPF revenues of $42,000 offset by $422,000 of administrative costs, $2,000 of interest and $834,000 net increase to the valuation account. Other income in the 2003 period included $1.3 million of ineffective hedging losses offset by $157,000 of gains on asset sales. Other income for 2003 also included IPF revenues of $967,000 offset by $467,000 of administrative costs, $161,000 of interest and a $558,000 increase in the valuation allowance.

Exploration expense increased $2.6 million to $7.8 million in 2004 due to higher dry hole costs ($2.0 million) and higher seismic costs ($266,000). General and administrative expenses increased $8.0 million with higher non-cash mark-to-market expense relating to the deferred compensation plan, higher director fees, salaries and wages and professional fees. The mark-to-market deferred compensation adjustment included in general and administrative expense was $8.7 million in the six months ended June 30, 2004 versus $1.3 million in the same period of the prior year. (See Note 11 to the consolidated financial statements.).

Interest expense decreased 20% to $8.6 million primarily due to lower average debt balances, interest rates and higher gains on ineffective portion of interest hedges. Total debt was $525.4 million and $358.1 million at June 30, 2004 and 2003, respectively. The average interest rates, including fixed and variable rate debt (excluding hedging), were 4.6% and 4.9% at June 30, 2004 and 2003, respectively.

DD&A expense increased 6% from the first six months of 2003 due to higher production. Accretion expense of $2.1 million and $2.3 million is included in DD&A expense in the six month periods ending June 30, 2004 and 2003, respectively. The DD&A rate per mcfe for the six months quarter of 2004 was $1.37, a $0.12 decrease from the rate for the same period of 2003. The decrease is due to lower amortization of unproved property ($0.03), lower accretion expense ($0.02) and lower average depletion rates ($0.08). The DD&A rate is determined based on year-end reserves and the associated net book value and, to a lesser extent, depreciation on other assets owned.

Income taxes reflected an expense of $8.8 million in the first six months of 2004 versus $6.6 million in the same period of 2003. The first quarter of 2003 included $917,000 deferred tax expense associated with prior period’s percentage depletion carryover.

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

Commodity Price Risk. The Company's major market risk exposure is 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.

The Company periodically enters into hedging arrangements with respect to its oil and gas production. Pursuant to these swaps, the Company receives a fixed price for its production and pays market prices to the counterparty. Hedging is intended to reduce the impact of oil and gas price fluctuations. In the second quarter of 2003, the hedging program was modified to include collars which assume a minimum floor price and predetermined ceiling price. Realized gains or losses are generally recognized in oil and gas revenues when the associated production occurs. Starting in 2001, gains or losses on open contracts are recorded either in current period income or OCI. The gains and losses realized as a result of hedging are substantially offset in the cash market when the commodity is delivered. Of the $103.5 million unrealized pre-tax loss included in OCI at June 30, 2004, $78.6 million of losses would be reclassified to earnings over the next twelve month period if prices remained constant. The actual amounts that will be reclassified will vary as a result of changes in prices. The Company does not hold or issue derivative instruments for trading purposes.

As of June 30, 2004, the Company had oil and gas swap hedges in place covering 36.2 Bcf of gas, 0.9 million barrels of oil and 0.5 million barrels of NGLs at prices averaging $4.15 per Mmbtu, $27.69 per barrel and $20.49 per barrel, respectively. The Company also has collars covering 31.1 Bcf of gas at weighted average floor and cap prices of $4.46 and $7.55 per mcf and 2.1 million barrels of oil at weighted average floor and cap prices of $24.18 to $32.56 per barrel. Their fair value, represented by the estimated amount that would be realized on termination, based on contract versus NYMEX prices, approximated a net unrealized pre-tax loss of $103.5 million at that date. These contracts expire monthly through December 2006. Gains or losses on open and closed hedging transactions are determined as the difference between the contract price and the reference price, generally closing prices on the NYMEX. Transaction gains and losses are determined monthly and are included as increases or decreases to oil and gas revenues in the period the hedged production is sold. Any ineffective portion of such hedges is recognized in earnings as it occurs. Net realized losses relating to these derivatives for the three months ended June 30, 2004 and June 30, 2003 were $23.2 million and $15.4 million and the losses were $40.1 million and $41.3 million for the six months ended June 30, 2004 and June 30, 2003, respectively.

In the first six months of 2004, a 10% reduction in oil and gas prices, excluding amounts fixed through hedging transactions, would have reduced revenue by $17.3 million. If oil and gas future prices at June 30, 2004 had declined 10%, the unrealized hedging loss at that date would have decreased $37.3 million.

Interest rate risk. At June 30, 2004, the Company had $525.4 million of debt outstanding. Of this amount, $205.4 million bore interest at fixed rates averaging 7.3%. Senior Credit Facility debt totaling $320.0 million bore interest at floating rates averaging 2.8%. At June 30, 2004, the Company had interest rate swap agreements totaling $65.0 million (see Note 7), which had a fair value gain of $816,000 at that date. A 1% increase or decrease in short-term interest rates would cost or save the Company approximately $2.6 million in annual interest expense.

Item 4. CONTROLS AND PROCEDURES.

As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of management, including its Chief Executive Officer and Chief Financial Officer, of the effectiveness of the Company's (and its consolidated subsidiaries') disclosure controls and procedures (as defined in 13a-15(e) of the Securities Exchange Act of 1934 (the "Exchange Act")). Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's (and its consolidated subsidiaries') disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries') required to be included in this report. There were no changes in the Company's (or its consolidated subsidiaries) internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) that occurred during the Company's (or its consolidated subsidiaries') last fiscal quarter that have materially affected or are reasonably likely to materially affect the Company's (or its consolidated subsidiaries') internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

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

Item 2. Changes in Securities and Use of Proceeds

None.

Item 4. Submission of matters to a vote of Security Holders

On May 19, 2004, the Company held its Annual Meeting of stockholders to (a) elect a Board of seven directors, each for a one-year term and (b) consider and vote on a proposal to (i) amend the 1999 Stock Option Plan increasing the number of shares of common stock authorized to be issued from 8,750,000 to 9,250,000 and (ii) approve the 2004 Non-Employee Director Option Plan. At such meeting, Robert E. Aikman, Anthony V. Dub, V. Richard Eales, Allen Finkelson, Jonathan S. Linker and John H. Pinkerton were reelected as Directors of the Company. Charles L. Blackburn was re-elected to serve as a director and Chairman of the Board. In addition, the 1999 Stock Option Plan Amendment and the 2004 Non-Employee Director Option Plan was approved by the Stockholders of the Company.

The following is a summary of the votes cast at the Annual Meeting:

	Results of Voting	Votes For	Withheld	Abstentions
1.	Election of Directors			
	Robert E. Aikman	50,230,714	3,901,464	—
	Charles L. Blackburn	50,918,393	3,213,785	—
	Anthony V. Dub	50,670,799	3,461,379	—
	V. Richard Eales	50,669,945	3,462,233	—
	Allen Finkelson	50,934,637	3,197,541	—
	Jonathan S. Linker	50,665,384	3,466,794	—
	John H. Pinkerton	51,910,678	2,221,500	—

		Votes For	Against	Abstentions
2.	1999 Plan Amendments	29,410,627	16,756,091	109,286
3.	Non-Employee Director Plan	29,437,513	16,722,508	115,983

Item 6. Exhibits and Reports on Form 8-K

Exhibit Number	Description
2.1	Purchase and Sale Agreement dated June 1, 2004 between the Company and FirstEnergy Corporation (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K/A (File No. 001-12209) as filed with the SEC on July 15, 2004)
3.1	Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1.1 to the Company's Form 10Q (File No. 001-12209) as filed with the SEC on May 5, 2004)
3.2	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Form 10K (File No. 001-12209) as filed with the SEC on March 3, 2004)
4.1.1	Form of 6% Convertible Subordinated Debentures due 2007 (contained as an exhibit to Exhibit 4.1.2 hereto)
4.1.2	Indenture dated December 20, 1996 by and between Lomak and Keycorp Shareholder Services, Inc., as trustee (incorporated by reference to Exhibit 4.1(a) to Lomak's Form S-3 (File No. 333-23955) as filed with the SEC on March 25, 1997)
4.1.3	Form of 7.375% Senior Subordinated Notes due 2013 (contained as an exhibit 4.1.4 hereto)
4.1.4	Indenture dated July 21, 2003 by and among the Company, as issuer, the Subsidiary Guarantors (as defined herein), as guarantors, and Bank One, National Association, as trustee (incorporated by reference to Exhibit 4.4.2 to the Company is Form 10-Q (File No. 001-12209) as filed with the SEC on August 6, 2003)
4.1.5*	Registration Rights Agreement dated June 22, 2004 by and among the Company, J.P. Morgan Securities, Inc. and UBS Securities L.L.C.
10.1*	Second Amended and Restated Credit Agreement as of June 23, 2004 among the Company and Great Lakes Energy Partners L.L.C. (as borrowers), and Bank One NA, and the institutions named (therein), as lenders, Bank One, NA, as Administrative Agent, and Banc One Capital Markets, Inc., as Sole Lead Arranger and Bookrunner
31.1*	Certification by the President and Chief Executive Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification by the President and Chief Executive Officer of the Company 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 President and Chief Financial Officer of the Company Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* filed herewith

(b) Reports on Form 8-K

On May 5, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 12 of Form 8-K, announcing its first quarter results.

On June 1, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 5 of Form 8-K, announcing an increase to its capital budget and an operational update.

On June 4, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 5 of Form 8-K, announcing an agreement to purchase the 50% of Great Lakes Energy LLC it does not currently own.

On June 9, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 9 of Form 8-K, announcing it intends to offer 10 million share of common stock to the public.

On June 10, 2004, the Company filed a Current Report on Form 8-K pursuant to Item 5 of Form 8-K, announcing the filing of a Prospectus Supplement with the Securities and Exchange Commission.

On June 15, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 5 of Form 8-K, announcing its intention to offer $100.0 million aggregate principal amount of senior subordinated notes due 2013.

On June 23, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 5 of Form 8-K, announcing the pricing of its previously announced private offering of $100.0 million of 7-3/8% senior subordinated notes due 2013.

On June 25, 2004, the Company filed a Current Report on Form 8-K, pursuant to Item 5 of Form 8-K, announcing the completion of the previously announced acquisition of the 50% of Great Lakes Energy Partners, LLC that it did not previously own.

On July 15, 2004, the Company filed a Current Report on Form 8-K/A, pursuant to Item 2 of Form 8-K, filing as an exhibit the Purchase and Sale Agreement dated as of June 1, 2004 by and between the Company and FirstEnergy Corporation.

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.

RANGE RESOURCES CORPORATION

By: /s/ ROGER S. MANNY
Roger S. Manny
Senior Vice President and Chief Financial Officer
(Principal Financial Officer and duly authorized to sign this report on behalf of the Registrant)

July 28, 2004

Table of Contents

EXHIBIT INDEX

Exhibit Number	Description
2.1	Purchase and Sale Agreement dated June 1, 2004 between the Company and FirstEnergy Corporation (incorporated by reference to Exhibit 2.1 to the Company's Form 8-K/A (File No. 001-12209) as filed with the SEC on July 15, 2004)
3.1	Restated Certificate of Incorporation of Range Resources Corporation (incorporated by reference to Exhibit 3.1.1 to the Company's Form 10-Q (File No. 001-12209) as filed with the SEC on March 3, 2004)
3.2	Amended and Restated By-laws of the Company (incorporated by reference to Exhibit 3.2 to the Company's Form 10K (File No. 001-12209) as filed with the SEC on March 3, 2004)
4.1.1	Form of 6% Convertible Subordinated Debentures due 2007 (contained as an exhibit to Exhibit 4.1.2 hereto)
4.1.2	Indenture dated December 20, 1996 by and between Lomak and Keycorp Shareholder Services, Inc., as trustee (incorporated by reference to Exhibit 4.1(a) to Lomak's Form S-3 (File No. 333-23955) as filed with the SEC on March 25, 1997)
4.1.3	Form of 7.375% Senior Subordinated Notes due 2013 (contained as an exhibit 4.1.4 hereto)
4.1.4	Indenture dated July 21, 2003 by and among the Company, as issuer, the Subsidiary Guarantors (as defined herein), as guarantors, and Bank One, National Association, as trustee (incorporated by reference to Exhibit 4.4.2 to the Company is Form 10-Q (File No. 001-12209) as filed with the SEC on August 6, 2003)
4.1.5*	Registration Rights Agreement dated June 22, 2004 by and among the Company, J.P. Morgan Securities, Inc. and UBS Securities L.L.C.
10.1*	Second Amended and Restated Credit Agreement as of June 23, 2004 among the Company and Great Lakes Energy Partners L.L.C. (as borrowers), and Bank One NA, and the institutions named (therein), as lenders, Bank One, NA, as Administrative Agent, and Banc One Capital Markets, Inc., as Sole Lead Arranger and Bookrunner
31.1*	Certification by the President and Chief Executive Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification by the Chief Financial Officer of the Company Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification by the President and Chief Executive Officer of the Company 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 President and Chief Financial Officer of the Company Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* filed herewith

EXHIBIT 4.1.5

==========

REGISTRATION RIGHTS AGREEMENT

Dated as of June 25, 2004

By and Among

RANGE RESOURCES CORPORATION as Issuer,

and

J.P. MORGAN SECURITIES INC.,

on behalf of itself and the
Initial Purchasers listed on Schedule I hereto

7 %% Senior Subordinated Notes due 2013

==========

TABLE OF CONTENTS

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this "Agreement") is dated as of June 25, 2004, by and between Range Resources Corporation, a Delaware corporation (the "Issuer"), on the one hand, and J.P. Morgan Securities Inc., on behalf of itself and the Initial Purchasers listed on Schedule I hereto (the "Initial Purchasers"), on the other hand.

This Agreement is entered into in connection with the Purchase Agreement, dated as of June 22, 2004, by and among the Issuer and the Initial Purchasers (the "Purchase Agreement"), relating to the offering of $100,000,000 aggregate principal amount of the Issuer's 7 %% Senior Subordinated Notes due 2013 (the "Notes"). The execution and delivery of this Agreement is a condition to the Initial Purchasers' obligation to purchase the Notes under the Purchase Agreement.

The parties hereby agree as follows:

Section 1. Definitions.

As used in this Agreement, the following terms shall have the following meanings:

"ACTION" shall have the meaning set forth in Section 7(c) hereof.

"ADVICE" shall have the meaning set forth in Section 5 hereof.

"AGREEMENT" shall have the meaning set forth in the first introductory paragraph hereto.

"APPLICABLE PERIOD" shall have the meaning set forth in Section 2(b) hereof.

"BOARD OF DIRECTORS" shall have the meaning set forth in Section 5 hereof.

"BUSINESS DAY" shall mean a day that is not a Legal Holiday.

"COMMISSION" shall mean the Securities and Exchange Commission.

"DAY" shall mean a calendar day.

"DAMAGES PAYMENT DATE" shall have the meaning set forth in Section 4(b) hereof.

"DELAY PERIOD" shall have the meaning set forth in Section 5 hereof.

"EFFECTIVENESS PERIOD" shall have the meaning set forth in Section 3(b) hereof.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"EXCHANGE NOTES" shall have the meaning set forth in Section 2(a) hereof. "Exchange Offer" shall have the meaning set forth in Section 2(a) hereof.

"EXCHANGE OFFER REGISTRATION STATEMENT" shall have the meaning set forth in Section 2(a) hereof.

"GUARANTEES" shall have the meaning set forth in the Indenture.

"HOLDER" shall mean any holder of a Registrable Note or Registrable Notes.

"INDENTURE" shall mean the Indenture, dated as of July 21, 2003, by and between the Issuer, the Subsidiary Guarantors named therein and Bank One, NA as trustee, pursuant to which the Notes are being issued, as amended or supplemented from time to time in accordance with the terms thereof.

"INITIAL PURCHASERS" shall have the meaning set forth in the first introductory paragraph hereof.

"INSPECTORS" shall have the meaning set forth in Section 5(n) hereof.

"ISSUE DATE" shall mean June 25, 2004, the date of original issuance of the Notes.

"ISSUER" shall have the meaning set forth in the introductory paragraph hereto and shall also include the Issuer's permitted successors and assigns.

"LEGAL HOLIDAY" shall mean a Saturday, a Sunday or a day on which banking institutions in New York, New York are required by law, regulation or executive order to remain closed.

"LIQUIDATED DAMAGES" shall have the meaning set forth in Section 4(a) hereof. "Losses" shall have the meaning set forth in Section 7(a) hereof.

"NASD" shall have the meaning set forth in Section 5(s) hereof.

"NOTES" shall have the meaning set forth in the second introductory paragraph hereto.

"PARTICIPANT" shall have the meaning set forth in Section 7(a) hereof.

"PARTICIPATING BROKER-DEALER" shall have the meaning set forth in Section 2(b) hereof.

"PERSON" shall mean an individual, corporation, partnership, joint venture association, joint stock company, trust, unincorporated limited liability company, government or any agency or political subdivision thereof or any other entity.

"PRIVATE EXCHANGE" shall have the meaning Set forth in Section 2(b) hereof.

"PRIVATE EXCHANGE NOTES" shall have the meaning set forth in Section 2(b) hereof.

"PROSPECTUS" shall mean the prospectus included in any Registration Statement (including, without limitation, any prospectus subject to completion and a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

"PURCHASE AGREEMENT" shall have the meaning set forth in the second introductory paragraph hereof.

"RECORDS" shall have the meaning set forth in Section 5(n) hereof.

"REGISTRABLE NOTES" shall mean each Note upon its original issuance and at all times subsequent thereto, each Exchange Note as to which Section 2(c)(iii) hereof is applicable upon original issuance and at all times subsequent thereto and each Private Exchange Note upon original issuance thereof and at all times subsequent thereto, in each case until (i) a Registration Statement (other than, with respect to any Exchange Note as to which Section 2(c)(iii) hereof is applicable, the Exchange Offer Registration Statement) covering such Note, Exchange Note or Private Exchange Note has been declared effective by the Commission and such Note, Exchange Note or such Private Exchange Note, as the case may be, has been disposed of in accordance with such effective Registration Statement, (ii) such Note has been exchanged pursuant to the Exchange Offer for an Exchange Note or Exchange Notes that may be resold without restriction under state and federal securities laws, (iii) such Note, Exchange Note or Private Exchange Note, as the case may be, ceases to be Outstanding for purposes of the Indenture or (iv) such Note, Exchange Note or Private Exchange Note has been sold in compliance with Rule 144 or is salable pursuant to Rule 144(k).

"REGISTRATION DEFAULT" shall have the meaning set forth in Section 4(a) hereof.

"REGISTRATION STATEMENT" shall mean any appropriate registration statement of the Issuer covering any of the Registrable Notes filed with the Commission under the Securities Act, and all amendments and supplements to any such Registration Statement, including post-effective amendments, in each case including the Prospectus contained therein, all exhibits thereto and all material incorporated by reference therein.

"REQUESTING PARTICIPATING BROKER-DEALER" shall have the meaning set forth in Section 2(b) hereof.

"RULE 144" shall mean Rule 144 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144A) or regulation hereafter adopted by the Commission providing for offers and sales of securities made in compliance therewith

resulting in offers and sales by subsequent holders that are not affiliates of an issuer of such securities being free of the registration and prospectus delivery requirements of the Securities Act.

"RULE 144A" shall mean Rule 144A promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule (other than Rule 144) or regulation hereafter adopted by the Commission.

"RULE 415" shall mean Rule 415 promulgated under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"SHELF FILING EVENT" shall have the meaning set forth in Section 2(c) hereof.

"SHELF REGISTRATION" shall have the meaning set forth in Section 3(a) hereof.

"SHELF REGISTRATION STATEMENT" shall mean a Registration Statement filed in connection with a Shelf Registration.

"SUBSIDIARY GUARANTOR" shall have the meaning set forth in the Indenture.

"TIA" shall mean the Trust Indenture Act of 1939, as amended.

"TRUSTEE" shall mean the trustee under the Indenture and the trustee (if any) under any indenture governing the Exchange Notes and Private Exchange Notes.

"UNDERWRITTEN REGISTRATION OR UNDERWRITTEN OFFERING" shall mean a registration in which securities of the issuer is sold to an underwriter for reoffering to the public.

Section 2. Exchange Offer.

(a) The Issuer shall (i) file a Registration Statement (the "Exchange Offer Registration Statement") within 90 days after the issue Date with the Commission on an appropriate registration form with respect to a registered offer (the "Exchange Offer") to exchange any and all of the Registrable Notes for a like aggregate principal amount of notes (the "Exchange Notes") that are identical in all material respects to the Notes (except that the Exchange Notes shall not contain terms with respect to transfer restrictions or Liquidated Damages upon a Registration Default), (ii) use its best efforts to cause the Exchange Offer Registration Statement to be declared effective under the Securities Act within 180 days after the Issue Date and (iii) use its reasonable best efforts to consummate the Exchange Offer within 210 days after the Issue Date. Upon the Exchange Offer Registration Statement being declared effective by the Commission, the issuer will offer the Exchange Notes in exchange for surrender of the Notes. The Issuer shall keep the Exchange Offer

open for not less than 30 days (or longer if required by applicable law) after the date notice of the Exchange Offer is mailed to Holders.

Each Holder that participates in the Exchange Offer will be required to represent to the Issuer in writing that (i) any Exchange Notes to be received by it will be acquired in the ordinary course of its business, (ii) it has no arrangement or understanding with any Person to participate in the distribution (within the meaning of the Securities Act) of the Exchange Notes in violation of the provisions of the Securities Act or, if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable, (iii) it is not an affiliate of the Issuer, as defined in Rule 405 under the Securities Act, (iv) if such Holder is not a broker-dealer, it is not engaged in, and does not intend to engage in, a distribution of Exchange Notes, (v) if such Holder is a broker-dealer that will receive Exchange Notes for its own account in exchange for Notes that were acquired as a result of market-making or other trading activities, it will deliver a prospectus in connection with any resale of such Exchange Notes and (vi) such Holder has full power and authority to transfer the Notes in exchange for the Exchange Notes and that the Issuer will acquire .good and unencumbered title thereto free and clear of any liens, restrictions, charges or encumbrances and not subject to any adverse claims.

(b) The Issuer and the Initial Purchasers acknowledge that the staff of the Commission has taken the position that any broker-dealer that elects to exchange Notes that were acquired by such broker-dealer for its own account as a result of market-making or other trading activities for Exchange Notes in the Exchange Offer (a "Participating Broker-Dealer") may be deemed to be an "underwriter" within the meaning of the Securities Act and must deliver a prospectus meeting the requirements of the Securities Act in connection with any resale of such Exchange Notes (other than a resale of an unsold allotment resulting from the original offering of the Notes).

The Issuer and the Initial Purchasers also acknowledge that the staff of the Commission has taken the position that if the Prospectus contained in the Exchange Offer Registration Statement includes a plan of distribution containing a statement to the above effect and the means by which Participating Broker-Dealers may resell the Exchange Notes, without naming the Participating Broker-Dealers or specifying the amount of Exchange Notes owned by them, such Prospectus may be delivered by Participating Broker-Dealers to satisfy their prospectus delivery obligations under the Securities Act in connection with resales of Exchange Notes for their own accounts, so long as the Prospectus otherwise meets the requirements of the Securities Act.

In light of the foregoing, if requested by a Participating Broker-Dealer (a "Requesting Participating Broker-Dealer"), the Issuer agrees to use its reasonable best efforts to keep the Exchange Offer Registration Statement continuously effective for a period not to exceed 180 days after the date on which the Exchange Registration Statement is declared effective, or such longer period if extended pursuant to the last paragraph of Section 5 hereof (such period, the "Applicable Period"), or such earlier date as all Requesting Participating Broker-Dealers shall have notified the Issuer in writing that such Requesting Participating Broker-Dealers have resold all Exchange Notes acquired in the Exchange Offer. The Issuer shall include a plan of distribution in such Exchange Offer Registration Statement that meets the requirements set forth in the preceding paragraph.

If, prior to consummation of the Exchange Offer, any initial Purchaser or any Holder, as the case may be, holds any Notes acquired by it that have, or that are reasonably likely to be determined to have, the status of an unsold allotment in an initial distribution, or if any Holder is not entitled to participate in the Exchange Offer, the Issuer upon the request of the Initial Purchasers or any such Holder, as the case may be, shall simultaneously with the delivery of the Exchange Notes in the Exchange Offer, issue and deliver to the Initial Purchasers or any such Holder, as the case may be, in exchange (the "Private Exchange") for such Notes held by the Initial Purchasers or any such Holder, as the case may be, a like principal amount of notes (the "Private Exchange Notes") of the Issuer that are identical in all material respects to the Exchange Notes except that the Private Exchange Notes may be subject to restrictions on transfer and bear a legend to such effect. The Private Exchange Notes shall be issued pursuant to the same indenture as the Exchange Notes and bear the same CUSIP number as the Exchange Notes.

For each Note surrendered in the Exchange Offer, the Holder will receive an Exchange Note having a principal amount equal to that of the surrendered Note. Interest on each Exchange Note and Private Exchange Note issued pursuant to the Exchange Offer and in the Private Exchange will accrue from the last interest payment date on which interest was paid on the Notes surrendered in exchange therefor or, if no interest has been paid on the Notes, from the Issue Date.

Upon consummation of the Exchange Offer in accordance with this Section 2, the Issuer shall have no further registration obligations other than the Issuer's continuing registration obligations with respect to (i) Private Exchange Notes, (ii) Exchange Notes held by Participating Broker-Dealers and (iii) Notes or Exchange Notes as to which clause (c)(iii) of this Section 2 applies.

In connection with the Exchange Offer, the Issuer shall:

(1) mail or cause to be mailed to each Holder entitled to participate in the Exchange Offer a copy of the Prospectus forming part of the Exchange Offer Registration Statement, together with an appropriate letter of transmittal and related documents;

(2) utilize the services of a depositary for the Exchange Offer with an address in the Borough of Manhattan, The City of New York;

(3) permit Holders to withdraw tendered Notes at any time prior to the close of business, New York time, on the last Business Day on which the Exchange Offer shall remain open; and

(4) otherwise comply in all material respects with all applicable laws, rules and regulations.

As soon as practicable after the close of the Exchange Offer and the Private Exchange, if any, the Issuer shall:

(1) accept for exchange all Notes validly tendered and not validly withdrawn by the Holders pursuant to the Exchange Offer and the Private Exchange, if any;

(2) deliver or cause to be delivered to the Trustee for cancellation all Notes so accepted for exchange; and

(3) cause the Trustee to authenticate and deliver promptly to each such Holder of Notes, Exchange Notes or Private Exchange Notes, as the case may be, equal in principal amount to the Registrable Notes of such Holder so accepted for exchange.

The Exchange Offer and the Private Exchange shall not be subject to any conditions, other than that (i) the Exchange Offer or Private Exchange, as the case may be, does not violate applicable law or any applicable interpretation of the staff of the Commission, (ii) no action or proceeding shall have been instituted or threatened in any court or by any governmental agency which might materially impair the ability of the Issuer to proceed with the Exchange Offer or the Private Exchange, and no material adverse development shall have occurred in any existing action or proceeding with respect to the Issuer and (iii) all governmental approvals shall have been obtained, which approvals the Issuer deems necessary for the consummation of the Exchange Offer or Private Exchange.

The Exchange Notes and the Private Exchange Notes shall be issued under (i) the Indenture or (ii) an indenture identical in all material respects to the Indenture (in either case, with such changes as are necessary to comply with any requirements of the Commission to effect or maintain the qualification thereof under the TIA) and which, in either case, has been qualified under the TIA and shall provide that (a) the Exchange Notes shall not be subject to the transfer restrictions set forth in the Indenture and (b) the Private Exchange Notes shall be subject to the transfer restrictions set forth in the Indenture. The Exchange Notes and the Private Exchange Notes will be guaranteed by the Subsidiary Guarantors to the same extent as the Notes. The indenture or such indenture shall provide that the Exchange Notes, the Private Exchange Notes and the Notes shall vote and consent together on all matters as one class and that none of the Exchange Notes, the Private Exchange Notes or the Notes will have the right to vote or consent as a separate class on any matter. The issuer will cause the Subsidiary Guarantors to become co-registrants under the Exchange Offer Registration Statement with respect to the Guarantees.

(c) In the event that (i) any changes in law or the applicable interpretations of the staff of the Commission do not permit the Issuer to effect the Exchange Offer, (ii) for any reason the Exchange Offer is not consummated within 210 days of the Issue Date, (iii) any Holder, other than the Initial Purchasers, notifies the Issuer prior to the 20th Business Day following the consummation of the Exchange Offer that it is prohibited by law or the applicable interpretations of the staff of the Commission from participating in the Exchange Offer, (iv) in the case of any Holder who participates in the Exchange Offer, such Holder does not receive Exchange Notes on the date of the exchange that may be sold without restriction under state and federal securities laws (other than due solely to the status of such holder as an affiliate of the Issuer within the meaning of the Securities Act) or (v) the Initial Purchaser so requests with respect to Notes or Private Exchange Notes that have, or that are reasonably likely to be determined to have, the status of unsold allotments in an initial distribution (each such event referred to in clauses (i) through (v) of this sentence, a "Shelf Filing Event"), then the Issuer shall file a Shelf Registration pursuant to Section 3 hereof.

Section 3. Shelf Registration.

If at any time a Shelf Filing Event shall occur, then:

(a) Shelf Registration. The Issuer shall file with the Commission a Registration Statement for an offering to be made on a continuous basis pursuant to Rule 415 covering all of the Registrable Notes not exchanged in the Exchange Offer, Private Exchange Notes and Exchange Notes as to which Section 2(c)(iii) is applicable (the "Shelf Registration"). The Issuer shall use its reasonable best efforts to file with the Commission the Shelf Registration as promptly as practicable. The Shelf Registration shall be on Form S-3 or another appropriate form permitting registration of such Registrable Notes for resale by Holders in the manner or manners designated by them (including, without limitation, one or more underwritten offerings). The Issuer shall not permit any securities other than the Registrable Notes to be included in the Shelf Registration. The Issuer will cause the Subsidiary Guarantors to become co-registrants under the Shelf Registration Statement with respect to the Guarantees.

(b) The Issuer shall use its reasonable best efforts (x) to cause the Shelf Registration to be declared effective under the Securities Act on or prior to the later of 180 calendar days after the Issue Date or 90 days after the Shelf Registration is required to be filed with the Commission and (y) to keep the Shelf Registration continuously effective under the Securities Act for the period ending on the date which is two years from the Issue Date, subject to extension pursuant to the penultimate paragraph of Section 5 hereof (the "Effectiveness Period"), or such shorter period ending when all Registrable Notes covered by the Shelf Registration have been sold in the manner set forth and as contemplated in the Shelf Registration; provided, however, that (1) the Effectiveness Period in respect of the Shelf Registration shall be extended to the extent required to permit dealers to comply with the applicable prospectus delivery requirements of Rule 174 under the Securities Act and as otherwise provided herein and (ii) the Issuer may suspend the effectiveness of the Shelf Registration Statement by written notice to the Holders (A) as a result of the filing of a post-effective amendment to the Shelf Registration Statement to incorporate annual audited financial information with respect to the Issuer where such post-effective amendment is not yet effective and needs to be declared effective to permit Holders to use the related Prospectus or (B) for any purpose and for so long as permitted pursuant to the penultimate paragraph of Section 5 hereof, including a bona fide business purpose.

(c) Supplements and Amendments. The Issuer agrees to supplement or make amendments to the Shelf Registration Statement as and when required by the rules, regulations or instructions applicable to the registration form used for such Shelf Registration Statement or by the Securities Act or rules and regulations thereunder for shelf registration, or if reasonably requested by the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or by any underwriter of such Registrable Notes.

Section 4. Liquidated Damages.

(a) The Issuer and the Initial Purchasers agree that the Holders will suffer damages if the Issuer fails to fulfill its obligations under Section 2 or Section 3 hereof and that it

would not be feasible to ascertain the extent of such damages with precision. Accordingly, the Issuer agrees that if:

(i) the Exchange Offer Registration Statement is not declared effective on or prior to the 180th day following the Issue Date (the "Effectiveness Deadline") or, if that day is not a Business Day, the next day that is a Business Day,

(ii) the Exchange Offer is not consummated on or prior to the earlier of the 30th Business Day following the Effectiveness Deadline or the 210th day following the Issue Date, or, if that day is not a Business Day, the next day that is a Business Day; or

(iii) the Shelf Registration Statement is required to be filed but is not declared effective by the later of 180 calendar days after the Issue Date or 90 days after the Shelf Registration is required to be filed with the Commission, or, if either such day is not a Business Day, the next day that is a Business Day, or is declared effective by such date but thereafter ceases to be effective or usable, except if the Shelf Registration ceases to be effective or usable as specifically permitted by the penultimate paragraph of Section 5 hereof

(each such event referred to in clauses (i) through (iii) a "Registration Default"), liquidated damages in the form of additional cash interest ("Liquidated Damages") will accrue on the affected Notes and the affected Exchange Notes, as applicable. The rate of Liquidated Damages will be 0.25% per annum for the first 90-day period immediately following the occurrence of a Registration Default, increasing by an additional 0.25% per annum with respect to each subsequent 90-day period up to a maximum amount of additional interest of 0.50% per annum, from and including the date on which any such Registration Default shall occur to, but excluding, the earlier of(1) the date on which all Registration Defaults have been cured or (2) the date on which all the Notes and Exchange Notes otherwise become freely transferable by Holders other than affiliates of the Issuer without further registration under the Securities Act.

Notwithstanding the foregoing, (1) the amount of Liquidated Damages payable shall not increase because more than one Registration Default has occurred and is pending and (2) a Holder of Notes or Exchange Notes who is not entitled to the benefits of the Shelf Registration Statement (i.e., such Holder has not elected to include information) shall not be entitled to Liquidated Damages with respect to a Registration Default that pertains to the Shelf Registration Statement.

(b) So long as Notes remain outstanding, the Issuer shall notify the Trustee within five Business Days after each and every date on which an event occurs in respect of which Liquidated Damages is required to be paid. Any amounts of Liquidated Damages due pursuant to clauses (a)(i), (a)(ii) or (a)(iii) of this Section 4 will be payable in cash semi-annually on each January 15 and July 15 (each a "Damages Payment Date"), commencing with the first such date occurring after any such Liquidated Damages commence to accrue, to Holders to whom regular interest is payable on such Damages Payment Date with respect to Notes that are Registrable Securities. The amount of Liquidated Damages for Registrable Notes will be determined by multiplying the applicable rate of Liquidated Damages by the aggregate principal amount of all such

Registrable Notes outstanding on the Damages Payment Date following such Registration Default in the case of the first such payment of Liquidated Damages with respect to a Registration Default (and thereafter at the next succeeding Damages Payment Date until the cure of such Registration Default), multiplied by a fraction, the numerator of which is the number of days such Liquidated Damages rate was applicable during such period (determined on the basis of a 360-day year comprised of twelve 30-day months and, in the case of a partial month, the actual number of days elapsed), and the denominator of which is 360.

Section 5. Registration Procedures.

In connection with the filing of any Registration Statement pursuant to Section 2 or 3 hereof, the Issuer shall effect such registrations to permit the sale of the securities covered thereby in accordance with the intended method or methods of disposition thereof, and pursuant thereto and in connection with any Registration Statement filed by the Issuer hereunder, the Issuer shall:

(a) Prepare and file with the Commission the Registration Statement or Registration Statements prescribed by Section 2 or 3 hereof, and use its reasonable best efforts to cause each such Registration Statement to become effective and remain effective as provided herein; provided, however, that if (1) such filing is pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto, before filing any Registration Statement or Prospectus or any amendments or supplements thereto, the Issuer shall furnish to and afford the Holders of the Registrable Notes covered by such Registration Statement or each such Participating Broker-Dealer, as the case may be, its counsel (if such counsel is known to the Issuer) and the managing underwriters, if any, a reasonable opportunity to review copies of all such documents (including copies of any documents to be incorporated by reference therein and all exhibits thereto) proposed to be filed (in each case at least five Business Days prior to such filing or such later date as is reasonable under the circumstances). The Issuer shall not file any Registration Statement or Prospectus or any amendments or supplements thereto if the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement, or any such Participating Broker-Dealer, as the case may be, its counsel, or the managing underwriters, if any, shall reasonably object on a timely basis.

(b) Prepare and file with the Commission such amendments and post-effective amendments to each Shelf Registration Statement or Exchange Offer Registration Statement, as the case may be, as may be necessary to keep such Registration Statement continuously effective for the Effectiveness Period or the Applicable Period, as the case may be; cause the related Prospectus to be supplemented by any Prospectus supplement required by applicable law, and as so supplemented to be filed pursuant to Rule 424 (or any similar provisions then in force) promulgated under the Securities Act; and comply with the provisions of the Securities Act and the Exchange Act applicable to it with respect to the disposition of all securities covered by such Registration Statement as so amended or in such Prospectus as so

supplemented and with respect to the subsequent resale of any securities being sold by a Participating Broker-Dealer covered by any such Prospectus, in each case, in accordance with the intended methods of distribution set forth in such Registration Statement or Prospectus, as so amended.

(c) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period relating thereto from whom the Issuer has received written notice that such Broker-Dealer will be a Participating Broker-Dealer in the applicable Exchange Offer, notify the selling Holders of Registrable Notes, or each such Participating Broker-Dealer, as the case may be, their counsel and the managing underwriters, if any, as promptly as possible, and, if requested by any such Person, confirm such notice in writing, (i) when a Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to a Registration Statement or any post-effective amendment, when the same has become effective under the Securities Act (including in such notice a written statement that any Holder may, upon request, obtain, at the sole expense of the Issuer, one conformed copy of such Registration Statement or post-effective amendment including financial statements and schedules, documents incorporated or deemed to be incorporated by reference and exhibits), (ii) of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of any preliminary prospectus or the initiation of any proceedings for that purpose, (iii) if at any time when a Prospectus is required by the Securities Act to be delivered in connection with sales of the Registrable Notes or resales of Exchange Notes by Participating Broker-Dealers the representations and warranties of the Issuer contained in any agreement (including any underwriting agreement) contemplated by Section 5(m)(i) hereof cease to be true and correct in all material respects, (iv) of the receipt by the Issuer of any notification with respect to the suspension of the qualification or exemption from qualification of a Registration Statement or any of the Registrable Notes or the Exchange Notes for offer or sale in any jurisdiction, or the initiation or threatening of any proceeding for such purpose, (v) of the happening of any event, the existence of any condition or any information becoming known to the Issuer that makes any statement made in such Registration Statement or related Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires the making of any changes in or amendments or supplements to such Registration Statement, Prospectus or documents so that, in the case of the Registration Statement, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading, and that in the case of the Prospectus, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and (vi) of the Issuer's determination that a post-effective amendment to a Registration Statement would be appropriate.

(d) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its reasonable best efforts to prevent the issuance of any order suspending the effectiveness of a Registration Statement or of any order preventing or suspending the use of a Prospectus or suspending the qualification (or exemption from qualification) of any of the Registrable Notes or the Exchange Notes, as the case may be, for sale in any jurisdiction, and, if any such order is issued, to use its reasonable best efforts to obtain the withdrawal of any such order at the earliest practicable moment.

(e) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period and if reasonably requested by the managing underwriter or underwriters (if any), the Holders of a majority in aggregate principal amount of the Registrable Notes covered by such Registration Statement or any Participating Broker-Dealer, as the case may be, (i) promptly incorporate in such Registration Statement or Prospectus a prospectus supplement or post-effective amendment such information as the managing underwriter or underwriters (if any), such Holders or any Participating Broker-Dealer, as the case may be (based upon advice of counsel), determine is reasonably necessary to be included therein and (ii) make all required filings of such prospectus supplement or such post-effective amendment as soon as practicable after the Issuer has received notification of the matters to be incorporated in such prospectus supplement or post-effective amendment; provided, however, that the Issuer shall not be required to take any action hereunder that would, in the written opinion of counsel to the Issuer, violate applicable laws.

(f) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, furnish to each selling Holder of Registrable Notes or each such Participating Broker-Dealer, as the case may be, who so requests, its counsel and each managing underwriter, if any, at the sole expense of the Issuer, one conformed copy of the Registration Statement or Registration Statements and each post-effective amendment thereto, including financial statements and schedules, and, if requested, all documents incorporated or deemed to be incorporated therein by reference and all exhibits.

(g) If (1) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, deliver to each selling Holder of Registrable Notes or each such Participating Broker-Dealer, as the

case may be, its respective counsel, and the underwriters, if any, at the sole expense of the Issuer, as many copies of the Prospectus or Prospectuses (including each form of preliminary prospectus) and each amendment or supplement thereto and any documents incorporated by reference therein as such Persons may reasonably request; and, subject to the last paragraph of this Section 5, the Issuer hereby consents to the use of such Prospectus and each amendment or supplement thereto by each of the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, and the underwriters or agents, if any, and dealers (if any), in connection with the offering and sale of the Registrable Notes covered by, or the sale by Participating Broker-Dealers of the Exchange Notes pursuant to, such Prospectus and any amendment or supplement thereto.

(h) Prior to any public offering of Registrable Notes or Exchange Notes or any delivery of a Prospectus contained in the Exchange Offer Registration Statement by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, use its reasonable best efforts to register or qualify, and to cooperate with the selling Holders of Registrable Notes or each such Participating Broker-Dealer, as the case may be, the managing underwriter or underwriters, if any, and its respective counsel in connection with the registration or qualification (or exemption from such registration or qualification) of such Registrable Notes or Exchange Notes, as the case may be, for offer and sale under the securities or Blue Sky laws of such jurisdictions within the United States as any selling Holder, Participating Broker-Dealer, or the managing underwriter or underwriters reasonably request; provided, however, that where Exchange Notes or Registrable Notes are offered other than through an underwritten offering, the Issuer agrees to use its reasonable best efforts to cause the Issuer's counsel to perform Blue Sky investigations and file registrations and qualifications required to be filed pursuant to this Section 5(h); keep each such registration or qualification (or exemption therefrom) effective during the period such Registration Statement is required to be kept effective and do any and all other acts or things reasonably necessary or advisable to enable the disposition in such jurisdictions of such Exchange Notes or Registrable Notes covered by the applicable Registration Statement, provided, however, that the Issuer shall not be required to (A) qualify generally to do business in any jurisdiction where it is not then so qualified, (B) take any action that would subject it to general service of process in any such jurisdiction where it is not then so subject or (C) subject itself to taxation in excess of a nominal dollar amount in any such jurisdiction where it is not then so subject.

(i) If a Shelf Registration is filed pursuant to Section 3 hereof, cooperate with the selling Holders of Registrable Notes and the managing underwriter or underwriters, if any, to facilitate the timely preparation and delivery of certificates representing Regisirable Notes to be sold, which certificates shall not bear any restrictive legends and shall be in a form eligible for deposit with The Depository Trust Company and enable such Registrable Notes to be in such denominations and registered in such names as the managing underwriter or underwriters, if any, or selling Holders may request at least five Business Days prior to any sale of such Registrable Notes.

(j) Use its reasonable best efforts to cause the Registrable Notes or Exchange Notes covered by any Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be reasonably necessary to enable the seller or sellers thereof or the underwriter or underwriters, if any, to consummate the disposition of such Registrable Notes or Exchange Notes, except as may be required solely as a consequence of the nature of such selling Holder's business, in which case the Issuer will cooperate in all reasonable respects with the filing of such Registration Statement and the granting of such approvals.

(k) If (l) a Shelf Registration is filed pursuant to Section 3 hereof, or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, upon the occurrence of any event contemplated by Section 5(c)(v) or 5(c)(vi) hereof, as promptly as practicable prepare and (subject to Section 5(a) and the penultimate paragraph of this Section 5) file with the Commission, at the sole expense of the Issuer, a supplement or post-effective amendment to the Registration Statement or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, or file any other required document so that, as thereafter delivered to the purchasers of the Registrable Notes being sold thereunder or to the purchasers of the Exchange Notes to whom such Prospectus will be delivered by a Participating Broker-Dealer, any such Prospectus will not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(l) Prior to the effective date of the first Registration Statement relating to the Registrable Notes, (i) provide the Trustee with certificates for the Registrable Notes in a form eligible for deposit with The Depository Trust Company and (ii) provide a CUSIP number for the Registrable Notes.

(m) In connection with any underwritten offering of Registrable Notes pursuant to a Shelf Registration, enter into an underwriting agreement as is customary in underwritten offerings of debt securities similar to the Notes arid take all such other actions as are reasonably requested by the managing underwriter or underwriters in order to expedite or facilitate the registration or the disposition of such Registrable Notes and, in such connection, (i) make such representations and warranties to, and covenants with, the underwriters with respect to the business of the Issuer and its subsidiaries, as then conducted (including any acquired business, properties or entity, if applicable), and the Registration Statement, Prospectus and documents, if any, incorporated or deemed to be incorporated by reference therein, in each case, as are customarily made by issuers to underwriters in underwritten offerings of debt securities similar to the Notes, and confirm the same in writing if and when requested; (ii) use its reasonable best efforts to obtain the written opinions of counsel to the Issuer and written updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters, addressed to the underwriters covering the matters

customarily covered in opinions requested in underwritten offerings and such other matters as may be reasonably requested by the managing underwriter or underwriters; (iii) use its reasonable best efforts to obtain "cold comfort" letters and updates thereof in form, scope and substance reasonably satisfactory to the managing underwriter or underwriters from the independent certified public accountants of the Issuer (and, if necessary, any other independent certified public accountants of any subsidiary of the Issuer or of any business acquired by the Issuer for which financial statements and financial data are, or are required to be, included or incorporated by reference in the Registration Statement), addressed to each of the underwriters, such letters to be in customary form and covering matters of the type customarily covered in "cold comfort" letters in connection with underwritten offerings; and (iv) if an underwriting agreement is entered into, the same shall contain indemnification provisions and procedures no less favorable than those set forth in Section 7 hereof (or such other provisions and procedures acceptable to Holders of a majority in aggregate principal amount of Registrable Notes covered by such Registration Statement and the managing underwriter or underwriters or agents) with respect to all parties to be indemnified pursuant to said Section; provided that the Issuer shall not be required to provide indemnification to any underwriter selected in accordance with the provisions of Section 9 hereof with respect to information relating to such underwriter furnished in writing to the Issuer by or on behalf of such underwriter expressly for inclusion in such Registration Statement. The above shall be done at each closing under such underwriting agreement, or as and to the extent required thereunder.

(n) If (1) a Shelf Registration is filed pursuant to Section 3 hereof or (2) a Prospectus contained in the Exchange Offer Registration Statement filed pursuant to Section 2 hereof is required to be delivered under the Securities Act by any Participating Broker-Dealer who seeks to sell Exchange Notes during the Applicable Period, make available for inspection by any selling Holder of such Registrable Notes being sold or each such Participating Broker-Dealer, as the case may be, any underwriter participating in any such disposition of Registrable Notes, if any, and any attorney, accountant or other agent retained by any such selling Holder or each such Participating Broker-Dealer, as the case may be, or underwriter (collectively, the "Inspectors"), at the offices where normally kept, during reasonable business hours, all financial and other records, pertinent corporate documents and instruments of the Issuer and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise any applicable due diligence responsibilities, and cause the officers, directors and employees of the Issuer and its subsidiaries to supply all information reasonably requested by any such Inspector in connection with such Registration Statement and Prospectus. Each Inspector shall agree in writing that it will keep the Records confidential and that it will not disclose, or use in connection with any market transactions in violation of any applicable securities laws, any Records that the Issuer determines, in good faith, to be confidential and that it notifies the Inspectors in writing are confidential unless (i) the disclosure of such Records is necessary to avoid or correct a misstatement or omission in such Registration Statement or Prospectus, (ii) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction, (iii) disclosure of such information is necessary or advisable in the opinion of counsel for an Inspector in

connection with any action, claim, suit or proceeding, directly or indirectly, involving or potentially involving such Inspector and arising out of, based upon, relating to, or involving this Agreement or the Purchase Agreement, or any transactions contemplated hereby or thereby or arising hereunder or thereunder, or (iv) the information in such Records has been made generally available to the public; provided, however, that (I) each Inspector shall agree to use reasonable best efforts to provide notice to the Issuer of the potential disclosure of any information by such Inspector pursuant to clause (i), (ii) or (iii) of this sentence to permit the Issuer to obtain a protective order (or waive the provisions of this paragraph (n)) and (ii) each such Inspector shall take such actions as are reasonably necessary to protect the confidentiality of such information (if practicable) to the extent such action is otherwise not inconsistent with, an impairment of or in derogation of the rights and interests of the Holder or any Inspector.

(o) Provide an indenture trustee for the Registrable Notes or the Exchange Notes, as the case may be, and cause the Indenture or the trust indenture provided for in Section 2(a) hereof to be qualified under the TIA not later than the effective date of the Exchange Offer or the first Registration Statement relating to the Registrable Notes; and in connection therewith, cooperate with the trustee under any such indenture and the Holders of the Registrable Notes or Exchange Notes, as applicable, to effect such changes to such indenture as may be required for such indenture to be so qualified in accordance with the terms of the TIA; and execute, and use its reasonable best efforts to cause such trustee to execute, all documents as may be required to effect such changes, and all other forms and documents required to be filed with the Commission to enable such indenture to be so qualified in a timely manner.

(p) Comply with all applicable rules and regulations of the Commission and make generally available to the Issuer's security holders earnings statements satisfying the provisions of Section 11(a) of the Securities Act and Rule 158 thereunder (or any similar rule promulgated under the Securities Act) no later than 45 days after the end of any 12-month period (or 90 days after the end of any 12-month period if such period is a fiscal year) (i) commencing at the end of any fiscal quarter in which Registrable Notes or Exchange Notes are sold to underwriters in a firm commitment or best efforts underwritten offering and (ii) if not sold to underwriters in such an offering, commencing on the first day of the first fiscal quarter of the Issuer after the effective date of a Registration Statement, which statements shall cover said 12-month periods consistent with the requirements of Rule 158.

(q) Upon the request of a Holder, upon consummation of the Exchange Offer or a Private Exchange, use its reasonable best efforts to obtain an opinion of counsel to the Issuer, in a form customary for underwritten transactions, addressed to the Trustee for the benefit of all Holders of Registrable Notes participating in the Exchange Offer or the Private Exchange, as the case may be, that the Exchange Notes or Private Exchange Notes, as the case may be, and the related indenture constitute legal, valid arid binding obligations of the Issuer, enforceable against the Issuer in accordance with its respective terms, subject to customary exceptions and qualifications.

(r) If the Exchange Offer or a Private Exchange is to be consummated, upon delivery of the Registrable Notes by Holders to the Issuer (or to such other Person as directed by the Issuer) in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be, mark, or cause to be marked, on such Registrable Notes that such Registrable Notes are being cancelled in exchange for the Exchange Notes or the Private Exchange Notes, as the case may be; provided that in no event shall such Registrable Notes be marked as paid or otherwise satisfied.

(s) Cooperate with each seller of Registrable Notes covered by any Registration Statement and each underwriter, if any, participating in the disposition of such Registrable Notes and their respective counsel in connection with any filings required to be made with the National Association of Securities Dealers, Inc. (the "NASD").

(t) Use its reasonable best efforts to take all other steps reasonably necessary or advisable to effect the registration of the Exchange Notes and/or Registrable Notes covered by a Registration Statement contemplated hereby.

The Issuer may require each seller of Registrable Notes or Exchange Notes as to which any registration is being effected to furnish to the Issuer such information regarding such seller and the distribution of such Registrable Notes or Exchange Notes as the Issuer may, from time to time, reasonably request. The Issuer may exclude from such registration the Registrable Notes of any seller so long as such seller fails to furnish such information within a reasonable time after receiving such request and in the event of such an exclusion, the Issuer shall have no further obligation under this Agreement (including, without limitation, the obligations under Section 4) with respect to such seller or any subsequent Holder of such Registrable Notes. Each seller as to which any Shelf Registration is being effected agrees to furnish promptly to the Issuer all information required to be disclosed in order to make any information previously furnished to the Issuer by such seller not materially misleading.

If any such Registration Statement refers to any Holder by name or otherwise as the holder of any securities of the Issuer, then such Holder shall have the right to require (i) the insertion therein of language, in form and substance reasonably satisfactory to such Holder, to the effect that the holding by such Holder of such securities is not to be construed as a recommendation by such Holder of the investment quality of the securities covered thereby and that such holding does not imply that such Holder will assist in meeting any future financial requirements of the Issuer, or (ii) in the event that such reference to such Holder by name or otherwise is not required by the Securities Act or any similar federal statute then in force, the deletion of the reference to such Holder in any amendment or supplement to the applicable Registration Statement filed or prepared subsequent to the time that such reference ceases to be required.

Each Holder of Registrable Notes and each Participating Broker-Dealer agrees by acquisition of such Registrable Notes or Exchange Notes that, upon actual receipt of any notice from the Issuer (x) of the happening of any event of the kind described in Section 5(c)(ii), 5(c)(iii), 5(c)(iv), or 5(c)(v) hereof, or (y) that the Board of Directors of the Issuer (the "Board of Directors") has

resolved that the Issuer has a bona fide business purpose for doing so, then the Issuer may delay the filing or the effectiveness of the Exchange Offer Registration Statement or the Shelf Registration Statement (if not then filed or effective, as applicable) and shall not be required to maintain the effectiveness thereof or amend or supplement the Exchange Offer Registration Statement or the Shelf Registration, in all cases, for a period (a "Delay Period") expiring upon the earlier to occur of (i) in the case of the immediately preceding clause (x), such Holder's or Participating Broker-Dealer's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 5(k) hereof or until it is advised in writing (the "Advice") by the Issuer that the use of the applicable Prospectus may be resumed, and has received copies of any amendments or supplements thereto or (ii) in the case of the immediately preceding clause (y), the date which is the earlier of (A) the date on which such business purpose ceases to interfere with the Issuer's obligations to file or maintain the effectiveness of any such Registration Statement pursuant to this Agreement or (B) 60 days after the Issuer notifies the Holders of such good faith determination. There shall not be more than 60 days of Delay Periods during any 12-month period. Each of the Effectiveness Period and the Applicable Period, if applicable, shall be extended by the number of days during any Delay Period. Any Delay Period will not alter the obligations of the Issuer to pay Liquidated Damages under the circumstances set forth in Section 4 hereof.

In the event of any Delay Period pursuant to clause (y) of the preceding paragraph, notice shall be given as soon as practicable after the Board of Directors makes such a determination of the need for a Delay Period and shall state, to the extent practicable, an estimate of the duration of such Delay Period and shall advise the recipient thereof of the agreement of such Holder provided in the next succeeding sentence. Each Holder, by his acceptance of any Registrable Note, agrees that during any Delay Period, each Holder will discontinue disposition of such Notes or Exchange Notes covered by such Registration Statement or Prospectus or Exchange Notes to be sold by such Holder or Participating Broker-Dealer, as the case may be.

Section 6. Registration Expenses.

All fees and expenses incident to the performance of or compliance with this Agreement by the issuer (other than any underwriting discounts or commissions) shall be borne by the Issuer, whether or not the Exchange Offer Registration Statement or the Shelf Registration is filed or becomes effective or the Exchange Offer is consummated, including, without limitation, (i) all registration and filing fees (including, without limitation, (A) fees with respect to filings required to be made with the NASD in connection with an underwritten offering and (B) fees and expenses of compliance with state securities or Blue Sky laws (including, without limitation, reasonable fees and disbursements of one counsel in connection with Blue Sky qualifications of the Registrable Notes or Exchange Notes and determination of the eligibility of the Registrable Notes or Exchange Notes for investment under the laws of such jurisdictions (x) where the holders of Registrable Notes are Located, in the case of an Exchange Offer, or (y) as provided in Section 5(h) hereof, in the case of a Shelf Registration or in the case of Exchange Notes to be sold by a Participating Broker-Dealer during the Applicable Period)), (ii) printing expenses, including, without limitation, expenses of printing a certificate or certificates for Registrable Notes or Exchange Notes in a form eligible for deposit with The Depository Trust Company and of printing prospectuses if the printing of

prospectuses is requested by the managing underwriter or underwriters, if any, or by the Holders of a majority in aggregate principal amount of the Registrable Notes included in any Registration Statement or in respect of Exchange Notes to be sold by any Participating Broker-Dealer during the Applicable Period, as the case may be, (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Issuer and reasonable fees and disbursements of one special counsel for all of the sellers of Registrable Notes (exclusive of any counsel retained pursuant to Section 7 hereof), (v) fees and disbursements of all independent certified public accountants referred to in Section 5(m)(iii) hereof (including, without limitation, the expenses of any special audit and "cold comfort" letters required by or incident to such performance), (vi) Securities Act liability insurance, if the Issuer desires such insurance, (vii) fees and expenses of all other Persons retained by the Issuer, (viii) internal expenses of the Issuer (including, without limitation, all salaries and expenses of officers and employees of the Issuer performing legal or accounting duties), (ix) the expense of any annual audit, (x) the fees and expenses incurred in connection with the listing of the securities to be registered on any securities exchange, and the obtaining of a rating of the securities, in each case, if applicable, and (xi) the expenses relating to printing, word processing and distributing all Registration Statements, underwriting agreements, indentures and any other documents necessary in order to comply with this Agreement. Notwithstanding the foregoing or anything to the contrary, each Holder shall pay all underwriting discounts and commissions of any underwriters with respect to any Registrable Notes sold by or on behalf of it.

Section 7. Indemnification.

(a) The Issuer agrees to indemnify and hold harmless each Holder of Registrable Notes and each Participating Broker-Dealer selling Exchange Notes during the Applicable Period, each Person, if any, who controls any such Person within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, the agents, employees, officers and directors of each Holder and each such Participating Broker-Dealer and the agents, employees, officers and directors of any such controlling Person (each, a "Participant") from and against any and all losses, liabilities, claims, damages and expenses (including, but not limited to, reasonable attorneys' fees and any and all reasonable out-of-pocket expenses actually incurred in investigating, preparing or defending against any litigation, commenced or threatened, or any claim whatsoever, and any and all reasonable amounts paid in settlement of any claim or litigation (in the manner set forth in clause (c) below) (collectively, "Losses") to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) or Prospectus (as amended or supplemented if the Issuer shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under which they were made, not misleading, provided that (i) the foregoing indemnity shall not be available to any Participant insofar as such Losses are caused by any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with information relating to such Participant furnished to the Issuer in writing by or on behalf of such Participant expressly for use therein, and (ii) that the foregoing indemnity

with respect to any preliminary prospectus shall not inure to the benefit of any Participant from whom the Person asserting such Losses purchased Registrable Notes if (x) it is established in the related proceeding that such Participant failed to send or give a copy of the Prospectus (as amended or supplemented if such amendment or supplement was furnished to such Participant prior to the written confirmation of such sale) to such Person with or prior to the written confirmation of such sale, if required by applicable law, and (y) the untrue statement or omission or alleged untrue statement or omission was completely corrected in the Prospectus (as amended or supplemented if amended or supplemented as aforesaid) and such Prospectus does not contain any other untrue statement or omission or alleged untrue statement or omission that was the subject matter of the related proceeding. This indemnity agreement will be in addition to any liability that the Issuer may otherwise have, including, but not limited to, liability under this Agreement.

(b) Each Participant agrees, severally and not jointly, to indemnify and hold harmless the Issuer, each Person, if any, who controls the Issuer within the meaning of Section 15 of the Securities Act or Section 20(a) of the Exchange Act, and each of its agents, employees, officers who sign the Registration Statement and directors and the agents, employees, officers and directors of any such controlling Person from and against any Losses to which they or any of them may become subject under the Securities Act, the Exchange Act or otherwise insofar as such Losses (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in any Registration Statement (or any amendment thereto) or Prospectus (as amended or supplemented if the Issuer shall have furnished any amendments or supplements thereto) or any preliminary prospectus, or caused by, arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein, in the case of the Prospectus, in the light of the circumstances under which they were made, not misleading, in each case to the extent, but only to the extent, that any such Loss arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in reliance upon and in conformity with information relating to such Participant furnished in writing to the Issuer by or on behalf of such Participant expressly for use therein.

(c) Promptly after receipt by an indemnified party under subsection 7(a) or 7(b) above of notice of the commencement of any action, suit or proceeding (collectively, an "action"), such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify each party against whom indemnification is to be sought in writing of the commencement of such action (but the failure so to notify an indemnifying party shall not relieve such indemnifying party from any liability that it may have under this Section 7 except to the extent that such Indemnifying Party has been prejudiced in any material respect (through the forfeiture of substantive rights or defenses) by such failure) and provided, that the failure to notify the Indemnifying Party shall not relieve it from any liability that it might have to an Indemnifying Party otherwise than under this Section 7. In case any such action is brought against any indemnified party, and it notifies an indemnifying party of the commencement of such action, the indemnifying party will be entitled to participate in such action, and to the extent it may elect by written notice delivered to the indemnified party promptly after receiving the aforesaid notice from such indemnified party, to assume the defense of such action with counsel reasonably satisfactory to such indemnified party. Notwithstanding the foregoing, the indemnified party or parties shall have the right to employ its or

their own counsel in any such action, but the reasonable fees and expenses of such counsel shall be at the expense of such indemnified party or parties unless (i) the employment of such counsel shall have been authorized in writing by the indemnifying parties in connection with the defense of such action, (ii) the indemnifying parties shall not have employed counsel to take charge of the defense of such action within a reasonable time after notice of commencement of the action, or (iii) the named parties to such action (including any impleaded parties) include such indemnified party and the indemnifying party or parties (or such indemnifying parties have assumed the defense of such action), and such indemnified party or parties shall have reasonably concluded, after consultation with counsel, that there may be defenses available to it or them that are different from or additional to those available to one or all of the indemnifying parties (in which case the indemnifying parties shall not have the right to direct the defense of such action on behalf of the indemnified party or parties), in any of which events such reasonable fees and expenses of counsel shall be borne by the indemnifying parties. In no event shall the indemnifying party be liable for the reasonable fees and expenses of more than one counsel (together with appropriate local counsel) at any time for all indemnified parties in connection with any one action or separate but substantially similar or related actions arising in the same jurisdiction out of the same general allegations or circumstances. Any such separate firm for the Participants shall be designated in writing by Participants who sold a majority in interest of Registrable Notes sold by all such Participants and shall be reasonably acceptable to the Issuer and any such separate firm for the Issuer, its affiliates, officers, directors, representatives, employees and agents and such control Person of the Issuer shall be designated in writing by the Issuer and shall be reasonably acceptable to the Holders. An indemnifying party shall not be liable for any settlement of any claim or action effected without its written consent, which consent may not be unreasonably withheld. No indemnifying party shall, without the prior written consent of the indemnified party, effect any settlement of any pending or threatened proceeding in respect of which any indemnified party is or could have been a party and indemnity could have been sought hereunder by such indemnified party, unless such settlement includes an unconditional release of such indemnified party from all liability on claims that are the subject matter of such proceeding.

(d) In order to provide for contribution in circumstances in which the indemnification provided for in this Section 7 is for any reason held to be unavailable from the indemnifying party, or is insufficient to hold harmless a party indemnified under this Section 7, each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such aggregate Losses (i) in such proportion as is appropriate to reflect the relative benefits received by each indemnifying party, on the one hand, and each indemnified party, on the other hand, from the sale of the Notes to the Initial Purchasers or the resale of the Registrable Notes by such Holder, as applicable, or (ii) if such allocation is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (1) above but also the relative fault of each indemnified party, on the one hand, and each indemnifying party, on the other hand, in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. The relative benefits received by the Issuer, on the one hand, and each Participant, on the other hand, shall be deemed to be in the same proportion as (x) the total proceeds from the sale of the Notes to the Initial Purchasers (net of discounts and commissions but before deducting expenses) received by the Issuer are to (y) the total net profit received by such Participant in connection with the sale of the Registrable Notes. The relative fault of the parties shall

be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Issuer or such Participant and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission or alleged statement or omission.

(e) The parties agree that it would not be just and equitable if contribution pursuant to this Section 7 were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to above. Notwithstanding the provisions of this Section 7, (1) in no case shall any Participant be required to contribute any amount in excess of the amount by which the net profit received by such Participant in connection with the sale of the Registrable Notes exceeds the amount of any damages that such Participant has otherwise been required to pay by reason of any untrue or alleged untrue statement or omission or alleged omission and (ii) no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. Any party entitled to contribution will, promptly after receipt of notice of commencement of any action against such party in respect of which a claim for contribution may be made against another party or parties under this Section 7, notify such party or parties from whom contribution may be sought, but the omission to so notify such party or parties shall not relieve the party or parties from whom contribution may be sought from any obligation it or they may have under this Section 7 or otherwise, except to the extent that it has been prejudiced in any material respect by such failure; provided, however, that no additional notice shall be required with respect to any action for which notice has been given under this Section 7 for purposes of indemnification. Anything in this section to the contrary notwithstanding, no party shall be liable for contribution with respect to any action or claim settled without its written consent, provided, however, that such written consent was not unreasonably withheld.

Section 8. Rules 144 and 144A.

The Issuer covenants that it will file the reports required, if any, to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the Commission thereunder in a timely manner in accordance with the requirements of the Securities Act and the Exchange Act and, if at any time the Issuer is not required to file such reports, it will, upon the request of any Holder or beneficial owner of Registrable Notes, make available such information necessary to permit sales pursuant to Rule 144A under the Securities Act. The Issuer further covenants that for so long as any Registrable Notes remain outstanding it will take such further action as any Holder of Registrable Notes may reasonably request from time to time to enable such Holder to sell Registrable Notes without registration under the Securities Act within the limitation of the exemptions provided by (a) Rule 144(k) and Rule 144A under the Securities Act, as such Rules may be amended from time to time, or (b) any similar rule or regulation hereafter adopted by the Commission.

Section 9. Underwritten Registrations.

If any of the Registrable Notes covered by any Shelf Registration are to be sold in an underwritten offering, the investment banker or investment bankers and manager or managers that will manage the offering will be selected by the Holders of a majority in aggregate principal amount of such Registrable Notes included in such offering and shall be reasonably acceptable to the Issuer.

No Holder of Registrable Notes may participate in any underwritten registration hereunder if such Holder does not (a) agree to sell such Holder's Registrable Notes on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) complete and execute all questionnaires, powers of attorney, indemnities, Underwriting agreements and other documents required under the terms of such underwriting arrangements.

Section 10. Miscellaneous.

(a) No Inconsistent Agreements. The Issuer has not, as of the date hereof, and shall not have, after the date of this Agreement, entered into any agreement with respect to any of its securities that is inconsistent with the rights granted to the Holders of Registrable Notes in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not conflict with and are not inconsistent with, in any material respect, the rights granted to the holders of any of the Issuer's other issued and outstanding securities under any such agreements. The Issuer has not entered and will not enter into any agreement with respect to any of its securities which will grant to any Person piggy-back registration rights with respect to any Registration Statement.

(b) Adjustments Affecting Registrable Notes. The Issuer shall not, directly or indirectly, take any action with respect to the Registrable Notes as a class that would adversely affect the ability of the Holders of Registrable Notes to include such Registrable Notes in a registration undertaken pursuant to this Agreement.

(c) Amendments and Waivers. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given except pursuant to a written agreement duly signed and delivered by (I) the Issuer and (II)(A) the Holders of not less than a majority in aggregate principal amount of the then outstanding Registrable Notes and (B) in circumstances that would adversely affect the Participating Broker-Dealers, the Participating Broker-Dealers holding not less than a majority in aggregate principal amount of the Exchange Notes held by all Participating Broker-Dealers; provided, however, that Section 7 and this Section 10(c) may not be amended, modified or supplemented except pursuant to a written agreement duly signed and delivered by the Issuer and each Holder and each Participating Broker-Dealer (including any Person who was a Holder or Participating Broker-Dealer of Registrable Notes or Exchange Notes, as the case may be, disposed of pursuant to any Registration Statement) affected by any such amendment, modification, supplement or waiver. Notwithstanding the foregoing, a waiver or consent to depart from the provisions hereof with respect to a matter that

relates exclusively to the rights of Holders of Registrable Notes whose securities are being sold pursuant to a Registration Statement and that does not directly or indirectly affect, impair, limit or compromise the rights of other Holders of Registrable Notes may be given by Holders of at least a majority in aggregate principal amount of the Registrable Notes being sold pursuant to such Registration Statement.

(d) Notices. All notices and other communications (including, without limitation, any notices or other communications to the Trustee) provided for or permitted hereunder shall be made in writing by hand-delivery, registered first-class mail, next-day air courier or telecopier:

(i) if to a Holder of the Registrable Notes or any Participating Broker-Dealer, at the most current address of such Holder or Participating Broker-Dealer, as the case may be, set forth on the records of the registrar under the Indenture.

(ii) if to the Issuer, at the address as follows:

Range Resources Corporation
777 Main Street, Suite 800
Fort Worth, TX 76102
Telephone: (817) 870-2601
Fax: (817)810-1950
Attention: Rodney L. Waller

(iii) if to the Initial Purchasers, at the address as follows:

J.P. MORGAN SECURITIES INC
270 Park Avenue
New York, NY 10017
Telephone: (212) 270-3800
Fax number: (212) 270-1063
Attention: Larry Landry

With a copy at such address to the attention of Sandy Whitman, Davis Polk & Wardwell, fax number (212) 450-3800

All such notices and communications shall be deemed to have been duly given: when delivered by hand, if personally delivered; five Business Days after being deposited in the mail, postage prepaid, if mailed; when receipt is acknowledged by the recipient's telecopier machine, if telecopied; and on the next Business Day, if timely delivered to an air courier guaranteeing overnight delivery.

Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address and in the manner specified in such Indenture.

(e) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and assigns of each of the parties hereto, the Holders and the Participating Broker-Dealers; provided, however, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign holds Registrable Notes.

(f) Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) Headings. The headings in this Agreement are for convenience of reference only and shall not Limit or otherwise affect the meaning hereof.

(h) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, AS APPLIED TO CONTRACTS MADE AND PERFORMED WHOLLY WITHIN THE STATE OF NEW YORK.

(i) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(j) Securities Held by the Issuer or Its Affiliates. Whenever the consent or approval of Holders of a specified percentage of Registrable Notes is required hereunder, Registrable Notes held by the Issuer or any of its affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

(k) Third-Party Beneficiaries. Holders and beneficial owners of Registrable Notes and Participating Broker-Dealers are intended third-party beneficiaries of this Agreement, and this Agreement may be enforced by such Persons. No other Person is intended to be, or shall be construed as, a third-party beneficiary of this Agreement.

(l) Attorneys' Fees. As between the parties to this Agreement, in any action or proceeding brought to enforce any provision of this Agreement, or where any provision hereof is validly asserted as a defense, the successful party shall be entitled to recover reasonable attorneys' fees actually incurred in addition to its costs and expenses and any other available remedy.

(m) Entire Agreement. This Agreement, together with the Purchase Agreement and the Indenture, is intended by the parties as a final and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein and therein and any and all prior oral or written agreements, representations, or warranties, contracts, understandings, correspondence, conversations and memoranda between the Holders on the one hand and the Issuer on the other, or between or among any agents, representatives, parents, subsidiaries, affiliates, predecessors in interest or successors in interest with respect to the subject matter hereof and thereof are merged herein and replaced hereby.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

RANGE RESOURCES CORPORATION,

By: /s/ John H. Pinkerton

Name: John H. Pinkerton
Title: President

J.P. MORGAN SECURITIES INC.,
on behalf of itself and the other Initial
Purchasers

By: /s/ G. S. Benson

Name: G. S. Benson
Title Vice President

SCHEDULE I

Initial Purchasers

J.P. MORGAN SECURITIES INC.

UBS SECURITIES LLC

BANC OF AMERICA SECURITIES LLC

HARRIS NESBITT CORP.

CALYON SECURITIES (USA) INC.

WACHOVIA CAPITAL MARKETS, LLC

FORTIS SECURITIES LLC

HIBERNIA SOUTHEAST CAPITAL, INC.

KEYBANC CAPITAL MARKETS, A DIVISION OF
MCDONALD INVESTMENTS INC.

SCOTIA CAPITAL (USA) INC.

EXHIBIT 10.1

EXECUTION VERSION

SECOND AMENDED AND RESTATED

CREDIT AGREEMENT

AMONG

RANGE RESOURCES CORPORATION AND

GREAT LAKES ENERGY PARTNERS, L.L.C.

AS BORROWERS,

AND

BANK ONE, NA

AND THE INSTITUTIONS NAMED HEREIN

AS LENDERS,

BANK ONE, NA,

AS ADMINISTRATIVE AGENT

AND

BANC ONE CAPITAL MARKETS, INC.

AS SOLE LEAD ARRANGER AND BOOKRUNNER

JUNE 23, 2004

$600,000,000 REVOLVING CREDIT

TABLE OF CONTENTS

SECOND AMENDED AND RESTATED CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED CREDIT AGREEMENT (as the same may from time to time be amended, modified, supplemented or restated, hereinafter referred to as this "Agreement") executed as of the 23rd day of June, 2004, by and among RANGE RESOURCES CORPORATION, a Delaware corporation (the "Company") and GREAT LAKES ENERGY PARTNERS, L.L.C., a Delaware limited liability company ("GLEP"; together with the Company, and each of their successors and permitted assigns, the "Borrowers" and each individually, a "Borrower") and BANK ONE, NA, a national banking association, and each of the financial institutions which is a party hereto (as evidenced by the signature pages to this Agreement) or which may from time to time become a party hereto pursuant to the provisions of Section 29 or any successor or assignee thereof (hereinafter collectively referred to as "Lenders", and individually, "Lender") and Bank One, NA, as Administrative Agent, Fleet National Bank, as Co-Documentation Agent, Fortis Capital Corp., as Co-Documentation Agent, Calyon, New York Branch, as Co-Syndication Agent, Harris Nesbitt Financing, Inc., as Co-Syndication Agent, Banc One Capital Markets, Inc., as Sole Lead Arranger and Sole Bookrunner.

W I T N E S S E T H:

WHEREAS, the Company, certain of the Lenders and Bank One, as administrative agent are parties to that certain Amended and Restated Credit Agreement dated as of May 2, 2002 pursuant to which the lenders thereunder agreed to provide the Company certain credit facilities in the form therein described (as amended, the "Original Range Credit Agreement"); and

WHEREAS, GLEP, certain of the Lenders and Bank One, as administrative agent, are parties to that certain Restated Credit Agreement dated as of May 3, 2002 pursuant to which the lenders thereunder agreed to provide GLEP certain credit facilities in the form therein described (as amended, the "Original GLEP Credit Agreement" and together with the Original Range Credit Agreement, the "Original Credit Agreements"); and

WHEREAS, the Company, Range Holdco, Inc., a Delaware corporation, Marbel Holdco, Inc., an Ohio corporation ("Marbel"), and FirstEnergy Corp., an Ohio corporation ("FirstEnergy") are parties to that certain Purchase and Sale Agreement dated June 1, 2004 ("GLEP Acquisition Agreement"), providing for the acquisition by the Company of all of the outstanding membership interests of GLEP not already indirectly owned by the Company (the "GLEP Acquisition"); and

WHEREAS, immediately following the acquisition of the membership interests of GLEP from Marbel pursuant to the GLEP Acquisition Agreement (the "Acquired Interests"), the Company will transfer the Acquired Interests to Range Energy I, Inc., a Delaware corporation and an indirect wholly-owned Subsidiary (as defined in Section 1) of the Company (the "Acquired Interests Transfer"); and

WHEREAS, in connection with and subject to the consummation of the GLEP Acquisition and the transfer of the Acquired Interests, the Company and GLEP have each requested that the Lenders (as defined in Section 1) and Agent (as defined in Section 1) agree to make certain changes to the Original Credit Agreements and have each requested that the Original Credit Agreements and the schedules thereto be consolidated, amended and restated in their entirety; and

WHEREAS, such Lenders and the Agent are willing to agree to such requests subject to the conditions and on the terms herein set forth and Key Bank and Wachovia Bank, National Association (the "June 2004 New Lenders") are each willing to become a party as a Lender to this Agreement.

NOW, THEREFOR, in consideration of the mutual covenants and agreements herein contained, the parties hereby agree that the Original Credit Agreements are hereby consolidated, amended and restated in their entirety to read herein and as follows:

1. DEFINITIONS. When used herein the following terms shall have the following meanings:

Acquired Interests is used herein as defined in the recitals hereof.

Acquired Interests Transfer is used herein as defined in the recitals hereof.

Advance means a borrowing hereunder (i) made by some or all of the Lenders on the same Borrowing Date, or (ii) converted or continued by the Lenders on the same date of conversion or continuation, consisting, in either case, of the aggregate amount of the several Loans of the same type and, in the case of LIBOR Loans, for the same Interest Period.

Advance Payment Contract means any contract whereby any Borrower or any Guarantor either (a) receives or becomes entitled to receive (either directly or indirectly) any payment (an "Advance Payment") to be applied toward payment of the purchase price of hydrocarbons produced or to be produced from the Oil and Gas Properties and which Advance Payment is, or is to be, paid in advance of actual delivery of such production to or for the account of the purchaser regardless of such production, including any volumetric production payment, or (b) grants an option or right of refusal to the purchaser to take delivery of such production in lieu of payment, and, in either of the foregoing instances, the Advance Payment is, or is to be, applied as payment in full for such production when sold and delivered or is, or is to be, applied as payment for a portion only of the purchase price thereof or of a percentage or share of such production; provided that inclusion of the standard "take or pay" provision in any gas sales or purchase contract or any other similar contract shall not, in and of itself, constitute such contract as an Advance Payment Contract for the purposes hereof.

Affected Lender is used herein as defined in Section 5(g).

Affiliate means any Person which, directly or indirectly, controls, is controlled by or is under common control with the relevant Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any Person, shall mean a member of the board of directors, a partner or an officer of such Person, or any other Person with possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, through the ownership (of record, as trustee, or by proxy) of voting shares, partnership interests or voting rights, through a management contract or otherwise. Any Person owning or controlling directly or indirectly ten percent or more of the voting shares, partnership interests or voting rights, or other equity interest of another Person shall be deemed to be an Affiliate of such Person.

Agent means Bank One in its capacity as contractual representative of the Lenders pursuant to Section 15, and not in its individual capacity as a Lender, and any successor Administrative Agent appointed pursuant to Section 15.

Agreement is used herein as defined in the preamble hereof.

Alternate Base Rate means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the sum of the Federal Funds Effective Rate for such day plus -1/2% per annum

Applicable Margin means, (i) with respect to any Advance of any Type at any time, the percentage rate per annum which is applicable at such time with respect to Advances of such Type set forth in the Pricing Schedule, and (ii) with respect to the determination of the Commitment Fee at any time, the percentage rate per annum which is applicable at such time with respect to the Commitment Fee set forth in the Pricing Schedule.

Arranger means Banc One Capital Markets, Inc., in its capacity as Sole Lead Arranger under this Agreement.

Assignment and Acceptance means a document substantially in the form of Exhibit "E" hereto.

Available Commitment means, at any time, the Commitment then in effect minus the Total Outstandings.

Bank One means Bank One, NA, a national banking association, having its principal office in Chicago, Illinois, in its individual capacity, and its successors.

Base Rate means, for any day, a rate of interest per annum equal to (i) the Alternate Base Rate for such day plus (ii) the Applicable Margin, in each case changing when and as the Alternate Base Rate changes.

Base Rate Loans means any loan during any period which bears interest based upon the Base Rate or which would bear interest based upon the Base Rate if the Maximum Rate ceiling was not in effect at that particular time.

Borrower and Borrowers are used herein as defined in the preamble hereof.

Borrowing Base means the value assigned by the Lenders from time to time to the Oil and Gas Properties pursuant to Section 7.

Borrowing Base Deficiency is used herein as defined in Section 9(b).

Borrowing Base Usage means, as of any date and for all purposes, the quotient, expressed as a percentage, of (i) the Total Outstandings, divided by (ii) the Borrowing Base.

Borrowing Date means the date elected by Borrower pursuant to Section 2(b) for an Advance on the Loan or a date a Letter of Credit is issued, renewed, extended or reissued hereunder.

Business Day shall mean (i) with respect to any borrowing, payment or note selection of LIBOR Loans, a day (other than Saturdays or Sundays) on which banks are legally open for business in Chicago, Illinois and New York, New York and on which dealings in United States dollars are carried on in the London interbank market, and (ii) for all other purposes a day (other than Saturdays and Sundays) on which banks are legally open for business in Chicago, Illinois.

Capital Lease means any lease of property, real or personal, which would be capitalized on a balance sheet of the lessee prepared in accordance with GAAP.

Capital Stock means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including, without limitation, partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing.

Capitalized Lease Obligation means, with respect to any Person for any period, any obligation of such Person to pay rent or other amounts under a Capital Lease; the amount of such obligation shall be the capitalized amount thereof determined in accordance with GAAP.

Cash Dividends means, collectively, Common Stock Cash Dividends and Preferred Stock Cash Dividends.

Change of Control means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any "person" or group of related "persons" (as such terms are

used in Section 13(d)(3) of the Exchange Act), (ii) the adoption of a plan relating to the liquidation or dissolution of the Company, (iii) the consummation of any transaction (including, without limitation, any purchase, sale, acquisition, disposition, merger or consolidation) the result of which is that any "person" (as defined above) or group of related "persons" becomes the "beneficial owner" (as such term is defined in Rule 13d-3 and Rule 13d(5 under the Exchange Act) of more than 40% of the aggregate voting power of all classes of Capital Stock of the Company having the right to elect directors under ordinary circumstances or (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

Collateral is used herein as defined in Section 6.

Commitment means (A) for all Lenders, the lesser of (i) $600,000,000 or (ii) the Borrowing Base, as reduced or increased from time to time pursuant to Sections 2 and 7, and (B) as to any Lender, its obligation to make Advances hereunder in amounts not exceeding, in the aggregate, an amount equal to such Lender's Commitment Percentage times the total Commitment as of any date. The Commitment of each Lender hereunder shall be adjusted from time to time to reflect assignments made by such Lender pursuant to Section 29. Each reduction in the Commitment shall result in a Pro Rata reduction in each Lender's Commitment.

Commitment Percentage means for each Lender the percentage set forth opposite the Lender's name on Annex A. The Commitment Percentage of each Lender hereunder shall be adjusted from time to time to reflect assignments made by such Lender pursuant to Section 29.

Commodity Hedge Transactions means Rate Management Transactions that are commodity swaps, options, caps, collars or floors entered into for the purpose of hedging against fluctuations in commodity prices.

Common Stock Cash Dividends means cash dividends paid on any common shares, interests, participations or other equivalents (however designated) of Capital Stock of the Company.

Company is used herein as defined in the preamble hereof.

Contingent Obligation of a Person means any agreement, undertaking or arrangement by which such Person assumes, guarantees, endorses, contingently agrees to purchase or provide funds for the payment of, or otherwise becomes or is contingently liable upon, the obligation or liability of any other Person, or agrees to maintain the net worth or working capital or other financial condition of any other Person, or otherwise assures any creditor of such other Person against loss, including, without limitation, any comfort letter, operating agreement, take-or-pay contract or the obligations of any such Person as general partner of a partnership with respect to the liabilities of the partnership.

Continuing Directors means, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the date of original issuance of the Notes or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of such Board at the time of such nomination.

Convertible Preferred Stock means the 5.90% Cumulative Convertible Preferred Stock of the Company.

Convertible Subordinated Debentures means those certain 6% Convertible Subordinated Debentures due 2007, issued pursuant to an Indenture by and between the Company and Key Corp. Shareholder Services, Inc., as Trustee.

Current Assets means the total of the Company's current assets determined in accordance with GAAP, including as of any date, the Available Commitment and excluding any accounting entries made as a result of the application of FASB 133.

Current Liabilities means the total of current obligations as determined in accordance with GAAP, excluding therefrom, as of any date, (i) current maturities due on the Loans and the Junior Securities, and (ii) any accounting entries as a result of the application of FASB 133.

Current Ratio means, as of any date of determination, the ratio of Current Assets on such date to Current Liabilities on such date.

Debt of a Person means such Person's (i) obligations for borrowed money, (ii) obligations representing the deferred purchase price of property or services (other than accounts payable arising in the ordinary course of such Person's business payable on terms customary in the trade and which are not outstanding more than ninety (90) days past the invoice date or if outstanding beyond such date, such account payable is being contested in good faith and such Person has established appropriate reserves, if any, as required in conformity with GAAP), (iii) obligations, whether or not assumed, secured by Liens or payable out of the proceeds or production from property now or hereafter owned or acquired by such Person, (iv) obligations which are evidenced by notes, acceptances, or other instruments, (v) obligations of such Person to purchase securities or other property arising out of or in connection with the sale of the same or substantially similar securities or property, (vi) Contingent Obligations, (vii) Capitalized Lease Obligations, (viii) obligations under letters of credit, (ix) Rate Management Obligations and (x) any other obligation for borrowed money or other similar financial accommodation which in accordance with GAAP would be shown as a liability on the consolidated balance sheet of such Person.

Deep Participation Rights means the right of Marbel and its successors or permitted assigns to participate in the drilling or deepening of certain wells located in a specified area of Ohio pursuant to Section 6.09 of the GLEP Acquisition Agreement as in effect on the date hereof.

Default means all the events specified in Section 14, regardless of whether there shall have occurred any passage of time or giving of notice, or both, that would be necessary in order to constitute such event as an Event of Default.

Default Rate means with respect to any Advance of any Type, a fluctuating rate of interest per annum that is two percent (2.0%) in excess of the rates otherwise payable under this Agreement.

Defaulting Lender is used herein as defined in Section 3(f).

Determination Date is used herein as defined in Section 7(b).

Disqualified Stock means any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (i) matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the sole option of the holder thereof, in whole or in part, on or prior to the Maturity Date, or (ii) requires the payment of any dividend other than dividends which are paid in kind.

Dollar or $ means United States dollars.

Domestic Subsidiary means, with respect to any Person, a Subsidiary of such Person that is incorporated or formed under the laws of one of the states of the United States of America or the District of Columbia.

EBITDA shall mean Net Income (excluding gains and losses from asset sales, and extraordinary and non-recurring gains and losses) plus the sum of (i) income tax expense (but excluding income tax expense relating to the sales or other disposition of assets, including capital stock, the gains and losses from which are excluded in the determination of Net Income), plus (ii) Interest Expense, plus (iii) depreciation, depletion and amortization expense, plus (iv) any other non-cash expenses, plus (v) all non-cash losses resulting from the application of FASB 121, 133 or 143 minus (vi) any non-cash gains resulting from the application of FASB 133 or 143, all as determined in accordance with GAAP and calculated as of the end of each fiscal quarter on a trailing four-quarter basis.

Effective Date means the date of this Agreement.

Eligible Assignee means any of (i) a Lender or any Affiliate of a Lender; (ii) a commercial bank organized under the laws of the United States, or any state thereof, and having a combined capital and surplus of at least $100,000,000; (iii) a commercial bank organized under the laws of any other country which is a member of the Organization for Economic Cooperation and Development, or a political subdivision of any such country, and having a combined capital and surplus of at least $100,000,000.00, provided that such bank is acting through a branch or agency located in the United States; (iv) a Person that is primarily engaged in the business of

commercial lending and that (A) is a subsidiary of a Lender, (B) a subsidiary of a Person of which a Lender is a subsidiary, or (C) a Person of which a Lender is a subsidiary; (v) any other entity (other than a natural person) which is an "accredited investor" (as defined in Regulation D under the Securities Act) which extends credit or buys loans as one of its businesses, including, but not limited to, insurance companies, mutual funds, investments funds and lease financing companies; and (vi) with respect to any Lender that is a fund that invests in loans, any other fund that invests in loans and is managed by the same investment advisor of such Lender or by an Affiliate of such investment advisor (and treating all such funds so managed as a single Eligible Assignee); provided, however, that no Affiliate of Borrower shall be an Eligible Assignee.

Engineered Value is used herein as defined in Section 6.

Environmental Laws means the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C.A. Section 9601, et seq., the Resource Conservation and Recovery Act, as amended by the Hazardous Solid Waste Amendment of 1984, 42 U.S.C.A. Section 6901, et seq., the Clean Water Act, 33 U.S.C.A. Section 1251, et seq., the Clean Air Act, 42 U.S.C.A. Section 1251, et seq., the Toxic Substances Control Act, 15 U.S.C.A. Section 2601, et seq., The Oil Pollution Act of 1990, 33 U.S.G. Section 2701, et seq., and all other laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, orders, permits and restrictions of any federal, state, county, municipal and other governments, departments, commissions, boards, agencies, courts, authorities, officials and officers, domestic or foreign, relating to in any way the environment, preservation or reclamation of natural resources, oil pollution, air pollution, water pollution, noise control and/or the management, release or threatened release, handling, discharge, disposal or recovery of on-site or off-site asbestos, radioactive materials, spilled or leaked petroleum products, distillates or fractions and industrial solid waste or "hazardous substances" as defined by 42 U.S.C. Section 9601, et seq., as amended, as each of the foregoing may be amended from time to time.

Environmental Liability means any claim, demand, obligation, cause of action, order, violation, damage, injury, judgment, penalty or fine, cost of enforcement, cost of remedial action or any other costs or expense whatsoever, contingent or otherwise, including reasonable attorneys' fees and disbursements and any liability for cleanups, costs of environmental remediation, fines or penalties, resulting from the violation or alleged violation of any Environmental Law or the release of any substance into the environment which is required to be remediated by a regulatory agency or governmental authority or the imposition of any Environmental Lien (as hereinafter defined), which could reasonably be expected to individually or in the aggregate have a Material Adverse Effect.

Environmental Lien means a Lien in favor of any court, governmental agency or instrumentality or any other Person (i) for any Environmental Liability or (ii) for damages arising from or cost incurred by such court or governmental agency or instrumentality or other Person in response to a release or threatened release of asbestos or "hazardous substance" into the

environment, the imposition of which Lien could reasonably be expected to have a Material Adverse Effect.

ERISA means the Employee Retirement Income Security Act of 1974, as amended.

Event of Default is used herein as defined in Section 14.

Exchange Act means the Securities Exchange Act of 1934, as amended.

Federal Funds Effective Rate shall mean, for any day, an interest rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published for such day (or, if such day is not a Business Day, for the immediately preceding Business Day) by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations at approximately 10:00 a.m. (Dallas, Texas time) on such day on such transactions received by the Agent from three (3) Federal funds brokers of recognized standing selected by the Agent in its sole discretion.

Financial Statements means, with respect to any Person, collectively, the consolidated balance sheets, income statements, statements of cash flow, stockholder equity and appropriate footnotes and schedules prepared in accordance with GAAP.

FirstEnergy is used herein as defined in the recitals hereof.

Funded Debt means, as of any date, without duplication, (i) all obligations for borrowed money or for the purchase price of property, (ii) all obligations evidenced by bonds, debentures, notes, or other similar instruments, (iii) all other indebtedness (including obligations under capital leases, other than usual and customary oil and gas leases) on which interest charges are customarily paid or accrued, (iv) all guarantees, (v) the unfunded or unreimbursed portion of all letters of credit, (vi) any indebtedness or other obligation secured by a Lien on assets, whether or not assumed, and (vii) all liability as a general partner of a partnership for obligations of that partnership of the nature described in (i) through (vii) preceding.

GAAP means United States generally accepted accounting principles, consistently applied.

GLEP is used herein as defined in the preamble hereof.

GLEP Acquisition is used herein as defined in the recitals hereof.

GLEP Acquisition Agreement is used herein as defined in the recitals hereof.

Guarantor means GulfStar Energy, Inc., Range Energy I, Inc., Range HoldCo, Inc., Range Production Company, Range Energy Ventures Corporation, Range Energy Finance

Corporation, Range Production I, L.P. Range Resources, L.L.C. Ohio Intrastate Gas Transmission Company, Victory Energy Partners, L.L.C. and Range Pipelines Systems, L.P. and, if required pursuant to Section 6, each Domestic Subsidiary of the Company (other than GLEP) that hereafter executes and delivers to the Agent and the Lenders, a Guaranty.

Guaranty means a Guaranty, substantially in the form of Exhibit "C" to be executed by each Material Domestic Subsidiary of the Company (other than GLEP) in favor of the Agent and the Lenders, pursuant to which such Subsidiary guaranties payment and performance in full of the Obligations, as amended or modified and in effect from time to time.

Indemnified Party is used herein as defined in Section 19.

Indenture means that certain Indenture dated as of July 21, 2003, by and between the Company, as issuer, certain of its Subsidiaries, as guarantors, and Bank One, as trustee, pursuant to which the Company 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.

Interest Expense means the aggregate amount of interest expense of the Company, on a consolidated basis, as determined in accordance with GAAP.

Interest Payment Date means the last day of each calendar month in the case of Base Rate Loans and, in the case of LIBOR Loans, the last day of the applicable Interest Period, and if such Interest Period is longer than three (3) months, at three (3) month intervals following the first day of such Interest Periods.

Interest Period means with respect to any LIBOR Loan (i) initially, the period commencing on the date such LIBOR Loan is made and ending one (1), two (2), three (3), six (6), nine (9) or twelve (12) months (if, at the date of any such election, a nine (9) or twelve (12) month placement is available to the Agent) thereafter as selected by Borrowers pursuant to Section 4(a)(ii), and (ii) thereafter, each period commencing on the day following the last day of the next preceding Interest Period applicable to such LIBOR Loan and ending one (1), two (2), three (3), six (6), nine (9) or twelve (12) months (if, at the date of any such election, a nine (9) or twelve (12) month placement is available to the Agent) thereafter, as selected by Borrowers pursuant to Section 4(a)(ii); provided, however, that (i) if any Interest Period would otherwise expire on a day which is not a Business Day, such Interest Period shall expire on the next succeeding Business Day unless the result of such extension would be to extend such Interest Period into the next calendar month, in which case such Interest Period shall end on the immediately preceding Business Day, (ii) if any Interest Period begins on the last Business Day of a calendar month (or on a day for which there is no numerically corresponding day in the calendar month at the end of such Interest Period) such Interest Period shall end on the last Business Day of a calendar month, and (iii) any Interest Period which would otherwise expire after the Maturity Date shall end on such Maturity Date.

June 2004 New Lenders is used herein as defined in the recitals hereof.

Junior Securities means, collectively, the Senior Subordinated Notes, the Convertible Subordinated Debentures, and the Convertible Preferred Stock.

Lender or Lenders are used herein as defined in the preamble hereof.

Lender Counterparty means (i) each Lender or any Affiliate of a Lender counterparty to a Rate Management Transaction and (ii) with respect to the Rate Management Transactions in which JPMorgan Chase Bank or any of its Affiliates is a counterparty on the Effective Date, the counterparty to each such Rate Management Transaction so long as such counterparty is JPMorgan Chase Bank or a Lender or an Affiliate of JPMorgan Chase Bank or a Lender.

Lending Installation means, with respect to a Lender or the Agent, the office, branch, Subsidiary or Affiliate of such Lender or the Agent listed on Annex A or otherwise selected by such Lender or the Agent pursuant to Section 5(c).

Letters of Credit is used herein as defined in Section 2(c).

LIBOR Base Rate means, with respect to a LIBOR Loan for the relevant Interest Period, the applicable British Bankers' Association LIBOR rate for deposits in U.S. dollars as reported by any generally recognized financial information service as of 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, and having a maturity equal to such Interest Period, provided that, if no such British Bankers' Association LIBOR rate is available to the Agent, the applicable LIBOR Base Rate for the relevant Interest Period shall instead be the rate determined by the Agent to be the rate at which Bank One or one of its Affiliate banks offers to place deposits in U.S. dollars with first-class banks in the interbank market at approximately 11:00 a.m. (London time) two Business Days prior to the first day of such Interest Period, in the approximate amount of Bank One's relevant LIBOR Loan and having a maturity equal to such Interest Period.

LIBOR Loans means any Loans during any period which bear interest at the LIBOR Rate, or which would bear interest at such rate if the Maximum Rate ceiling was not in effect at a particular time.

LIBOR Rate means, with respect to a LIBOR Loan for the relevant Interest Period, the sum of (i) the quotient of (A) the LIBOR Base Rate applicable to such Interest Period, divided by (B) one minus the Reserve Requirement (expressed as a decimal) applicable to such Interest Period, plus the (ii) Applicable Margin. The LIBOR Rate shall be rounded to the next higher multiple of 1/100th of one percent if the rate is not such a multiple.

Lien means any mortgage, deed of trust, pledge, security interest, assignment, encumbrance or lien (statutory or otherwise) of every kind and character.

Loan Documents means this Agreement, the Notes, the Guaranties, the Security Instruments and all other documents executed by the Company or any of its Subsidiaries with Agent or the Lenders in connection with the transaction described in this Agreement.

Loans means the Revolving Loans.

Marbel is used herein as defined in the recitals hereof.

Material Adverse Effect means a material adverse effect on (i) the assets or properties, liabilities, financial condition, business, operations, affairs or circumstances of the Company and its Subsidiaries, taken as a whole, (ii) the ability of Borrowers to carry out their respective businesses as of the date of this Agreement or as proposed at the date of this Agreement to be conducted, (iii) the ability of Borrowers to perform fully and on a timely basis their respective obligations under any of the Loan Documents, (iv) the validity or enforceability of any of the Loan Documents or the rights and remedies of the Agent or the Lenders thereunder or (v) the Collateral, the Liens on the Collateral created pursuant to the Loan Documents or the priority of any such Lien.

Material Domestic Subsidiary means any Domestic Subsidiary of the Company (other than GLEP) that (i) owns or holds assets, properties or interests (including oil, gas and mineral properties and interests) with an aggregate fair market value greater than five percent (5%) of the aggregate fair market value of all of the assets, properties and interests (including oil, gas and mineral properties and interests) of the Company and its Subsidiaries taken as a whole or (ii) is now or hereafter becomes a "Restricted Subsidiary" as such term is defined in the Indenture.

Maturity Date shall mean January 1, 2008.

Maximum Rate is used herein as defined in Section 23.

Mortgages means all mortgages, deeds of trust, amendments to mortgages, security agreements, assignments of production, pledge agreements, collateral mortgages, collateral chattel mortgages, collateral assignments, financing statements and other documents, instruments and agreements evidencing, creating, perfecting or otherwise establishing the Liens required by Section 6. All Mortgages shall be in form and substance satisfactory to the Agent in its sole discretion.

Net Income means, for the Company for any period, the consolidated net income (or loss) of the Company for such period calculated in accordance with GAAP. For the avoidance of doubt, so long as GLEP is a wholly-owned Subsidiary of the Company, Net Income for any period shall include one hundred percent (100%) of the net income (or loss) of GLEP even if such period includes periods prior to the closing of the GLEP Acquisition.

Non-Consenting Lender is used herein as defined in Section 5(g).

Notes means the Notes, substantially in the form of Exhibit "B" hereto issued or to be issued hereunder to each Lender, respectively, to evidence the indebtedness to such Lender arising by reason of the Advances on the Commitment, together with all modifications, renewals and extensions thereof or any part thereof.

Notice of Borrowing is used herein as defined Section 2(b).

Obligations means all obligations of every nature of each Borrower from time to time owed to the Agent (including in its capacity as the issuer of any Letter of Credit, and any former Agents) and, the Lenders or any of them and the Lender Counterparties, under any Loan Document or Rate Management Transaction, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Borrower, would have accrued on any Obligation, whether or not a claim is allowed against such Borrower for such interest in the related bankruptcy proceeding), all Reimbursement Obligations, payments for early termination of Rate Management Transactions, fees, expenses, indemnification or otherwise.

Off-Balance Sheet Liability of a Person means (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability under any Sale and Leaseback Transaction which is not a Capitalized Lease, (iii) any liability under any so-called "synthetic lease" transaction entered into by such Person, (iv) any Advance Payment Contract, or (vi) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheets of such Person, but excluding from the foregoing clauses (iii) through (vi) Operating Leases and usual and customary oil, gas and mineral leases.

Oil and Gas Properties means all oil, gas and mineral properties and interests and related personal properties, in which any Borrower or any Guarantor owns an interest.

Optional Hedging Payment has the meaning assigned to such term in the GLEP Acquisition Agreement.

Organizational Documents means (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, and its by-laws, as amended, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, and its partnership agreement, as amended, (iii) with respect to any general partnership, its partnership agreement, as amended, and (iv) with respect to any limited liability company, its articles of organization, as amended, and its operating agreement, as amended.

Original Credit Agreements is used herein as defined in the recitals hereto.

Original GLEP Credit Agreement is used herein as defined in the recitals hereto.

Original Range Credit Agreement is used herein as defined in the recitals hereto.

Other Financing is used herein as defined in Section 15(1).

Payor is used herein as defined in Section 3(h).

Permitted Liens means (i) royalties, overriding royalties, reversionary interests, production payments and similar burdens; (ii) sales contracts or other arrangements for the sale of production of oil, gas or associated liquid or gaseous hydrocarbons which would not (when considered cumulatively with the matters discussed in clause (i) above) deprive any Borrower or any Guarantor of any material right in respect of such Borrower's or such Guarantor's assets or properties (except for rights customarily granted with respect to such contracts and arrangements); (iii) statutory Liens for taxes or other assessments that are not yet delinquent (or that, if delinquent, are being contested in good faith by appropriate proceedings, levy and execution thereon having been stayed and continue to be stayed and for which such Borrower or such Guarantor has set aside on its books adequate reserves in accordance with GAAP); (iv) easements, rights of way, servitudes, permits, surface leases and other rights in respect to surface operations, pipelines, grazing, logging, canals, ditches, reservoirs or the like, conditions, covenants and other restrictions, and easements of streets, alleys, highways, pipelines, telephone lines, power lines, railways and other easements and rights of way on, over or in respect of any Borrower's or any Guarantor's assets or properties and that do not individually or in the aggregate cause a Material Adverse Effect; (v) materialmen's, mechanic's, repairman's, employee's, vendor's laborer's warehousemen's, landlord's, carrier's, pipeline's, contractor's, sub-contractor's, operator's, non-operator's (arising under operating or joint operating agreements), and other Liens (including any financing statements filed in respect thereof) incidental to obligations incurred by any Borrower or any Guarantor in connection with the construction, maintenance, development, transportation, processing, storage or operation of any Borrower's or any Guarantor's assets or properties to the extent not delinquent (or which, if delinquent, are being contested in good faith by appropriate proceedings and for which such Borrower or such Guarantor has set aside on its books adequate reserves in accordance with GAAP); (vi) all contracts, agreements and instruments, and all defects and irregularities and other matters affecting any Borrower's or any Guarantor's assets and properties which were in existence at the time such Borrower's or such Guarantor's assets and properties were originally acquired by such Borrower or such Guarantor and all routine operational agreements entered into in the ordinary course of business, which contracts, agreements, instruments, defects, irregularities and other matters and routine operational agreements are not such as to, individually or in the aggregate, interfere materially with the operation, value or use of any Borrower's or any Guarantor's assets and properties, considered in the aggregate; (vii) liens in connection with workmen's compensation, unemployment insurance or other social security, old age pension or public liability obligations; (viii) legal or equitable encumbrances deemed to exist by reason of the existence of any litigation or other legal proceeding or arising out of a judgment or award with respect to which an appeal is being prosecuted in good faith and levy and execution thereon have been stayed and continue to be stayed; (ix) rights reserved to or vested in

any municipality, governmental, statutory or other public authority to control or regulate any Borrower's or any Guarantor's assets and properties in any manner, and all applicable laws, rules and orders from any governmental authority; (x) landlord's liens; (xi) Liens incurred pursuant to the Security Instruments and Liens (other than Liens on Collateral) that secure obligations under Rate Management Transactions permitted pursuant to Section 13(n); and (xii) Liens existing at the date of this Agreement which are identified in Schedule "1".

Person means an individual, a corporation, a partnership, an association, a trust or any other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

Plan means any plan subject to Title IV of ERISA and maintained by Borrower, or any such plan to which Borrower is required to contribute on behalf of its employees.

Pre-Approved Contracts means any contracts or agreements entered into by any Borrower in connection with any Rate Management Transaction which are (i) designed to hedge, provide a price floor for, or swap crude oil or natural gas or otherwise sell up to (A) 90% of the anticipated production from proved, developed producing reserves of crude oil of Borrowers and Guarantors, taken as a whole, and/or (B) 90% of anticipated production from proved, developed producing reserves of natural gas of Borrowers and Guarantors, taken as a whole, during the period from the immediately preceding settlement date (or the commencement of the term of such hedge transactions if there is no prior settlement date) to such settlement date, (ii) interest rate hedges in an aggregate notional amount of not more than eighty percent (80%) of the total Funded Debt of Borrowers projected to be outstanding for any period covered by such hedges, and (iii) with a maturity of thirty-six (36) months or less. Provided; however, that Borrowers may hedge, provide a floor price for, or swap either crude oil or natural gas for periods up to sixty (60) months if all such hedges covering any portion of the period from the end of the thirty-sixth (36th) month to the end of the sixtieth (60th) month do not cover more than fifty percent (50%) of Borrowers' anticipated production from proved developed producing reserves of crude oil or natural gas, as the case may be.

Preferred Stock Cash Dividends means cash dividends paid on any preferred shares, interests, participations or other equivalents (however designated) of capital stock of Borrower.

Prime Rate means the rate per annum equal to the Prime Rate announced from time to time by Bank One or its parent and their respective successors (which is not necessarily the lowest rate charged to any customer), changing when and as said Prime Rate changes.

Pro Rata or Pro Rata Part means for each Lender, (i) for all purposes where no Loan is outstanding, such Lender's Commitment Percentage and (ii) otherwise, the proportion which the portion of the outstanding Loans owed to such Lender bears to the aggregate outstanding Loans owed to all Lenders at the time in question.

Range Production I means Range Production I, L.P., a Texas limited partnership.

Rate Management Obligations of a Person means any and all obligations of such Person, whether absolute or contingent and howsoever and whensoever created, arising, evidenced or acquired (including all renewals, extensions and modifications thereof and substitutions therefor), under (i) any and all Rate Management Transactions, and (ii) any and all cancellations, buy backs, reversals, terminations or assignments of any Rate Management Transactions.

Rate Management Transaction means any transaction (including an agreement with respect thereto) now existing or hereafter entered into by any Borrower or any of their Subsidiaries which is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, equity or equity index swap, equity or equity index option, bond option, interest rate option, forward exchange transaction, cap transaction, floor transaction, collar transaction, forward transaction, currency swap transaction, cross-currency rate swap transaction, currency option or any other similar transaction (including any option with respect to any of these transactions) or any combination thereof, whether linked to one or more interest rates, foreign currencies, commodity prices, equity prices or other financial measures.

REFC means Range Energy Finance Corporation.

Regulation D means Regulation D of the Board of Governors of the Federal Reserve System as from time to time in effect and any successor thereto and other regulation or official interpretation of said Board of Governors relating to reserve requirements applicable to member banks of the Federal Reserve System.

Reimbursement Obligations means, at any time, the obligations of Borrowers in respect of all Letters of Credit then outstanding to reimburse amounts paid by any Lender in respect of any drawing or drawings under a Letter of Credit.

Related Transactions means the consummation of the GLEP Acquisition, the release of any obligation of GLEP with respect to at least one-half of the Rate Management Transactions of GLEP in effect immediately prior to the consummation of the GLEP Acquisition if the Company makes the Optional Hedging Payment, the issuance of additional common stock of the Company, if any, the issuance of additional Senior Subordinated Notes, if any, the execution and delivery of the Loan Documents, the funding of the Loans on the Effective Date and the payment of all fees, costs and expenses associated with all of the foregoing.

Release Price is used herein as defined in Section 12(r).

Required Lenders means Lenders holding 66-2/3% or more of the Commitments or if one or more of the Commitments have been terminated, Lenders holding 66-2/3% of the outstanding Loans.

Required Payment is used herein as defined in Section 3(h).

Reserve Requirement means, with respect to any Interest Period, the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D on Eurocurrency liabilities.

Revolving Loan or Loans means an Advance or Advances made pursuant to Section 2(a).

Sale and Leaseback Transaction means any sale or other transfer of real or personal property by any Person with the intent to lease such property as lessee.

Security Instruments is used collectively herein to mean this Agreement, Mortgages, Security Agreements, Assignments of Production and Financing Statements and other collateral documents covering certain of the Oil and Gas Properties and related personal property, equipment, oil and gas inventory and proceeds of the foregoing, the Guaranties, all pledge agreements and all collateral assignments of notes and liens, all such documents to be in form and substance reasonably satisfactory to Agent.

Senior Subordinated Notes means the 7 3/8% Senior Subordinated Notes due 2013, issued pursuant to the Indenture.

Subsidiary of a Person means (i) any corporation more than 50% of the outstanding securities having ordinary voting power of which shall at the time be owned or controlled, directly or indirectly, by such Person or by one or more of its Subsidiaries or by such Person and one or more of its Subsidiaries, or (ii) any partnership, limited liability company, association, joint venture or similar business organization more than 50% of the ownership interests having ordinary voting power of which shall at the time be so owned or controlled. Unless otherwise expressly provided, all references herein to a "Subsidiary" shall mean a Subsidiary of the Company.

Super Majority Lenders means Lenders holding 75% or more of the Commitments or if one or more of the Commitments have been terminated, Lenders holding 75% of the outstanding Loans.

Terminated Lender is used herein as defined in Section 5(g).

Total Outstandings means, as of any date, the sum of (i) the total principal balance outstanding on the Notes at any time plus (ii) the total face amount of all outstanding Letters of Credit, plus (iii) the total amount of all unpaid Reimbursement Obligations.

Tranche means a set of LIBOR Loans made by the Lenders at the same time and for the same Interest Period.

Type means, with respect to any Advance, its nature as a Base Rate Advance or a LIBOR Advance and with respect to any Loan, its nature as a Base Rate Loan or a LIBOR Loan.

Unscheduled Redeterminations means a redetermination of the Borrowing Base made at any time other than on the dates set for the regular semi-annual redetermination of the Borrowing Base which are made (A) at the request of Borrower (but only once between Borrowing Base redeterminations), or (B) at the request of Required Lenders (but only twice between Borrowing Base redeterminations), provided, however, that (i) Required Lenders may require an Unscheduled Redetermination at any time it appears to Agent or Required Lenders, in the exercise of their reasonable discretion, that either (a) there has been a material decrease in the value of the Oil and Gas Properties, or (b) an event has occurred which is reasonably expected to have a Material Adverse Effect, or (ii) Required Lenders may require an Unscheduled Redetermination if any Borrower terminates any material agreements entered into in connection with a Rate Management Transaction used by Lenders in determining the Borrowing Base or if the counterparty to any such material agreement commences, or has commenced against it any proceeding under any bankruptcy, insolvency or similar law now or hereafter in effect.

Unused Commitment Fee is used herein as defined in Section 8(a).

2. COMMITMENTS OF THE LENDERS.

(a) Terms of Commitment. On the terms and conditions hereinafter set forth, each Lender agrees severally to make Advances to Borrowers from time to time during the period beginning on the Effective Date and ending on the Maturity Date in such amounts as the Company may request up to an amount not to exceed, in the aggregate principal amount advanced at any time, its Pro Rata Part of the Available Commitment. Subject to the terms of this Agreement, Borrowers may borrow, repay and reborrow at any time prior to the Maturity Date. The obligation of Borrowers hereunder shall be evidenced by this Agreement and the Notes issued in connection herewith, said Notes to be as described in Section 3. The obligations of the Borrowers under this Agreement, the Notes and the other Loan Documents shall be joint and several. Notwithstanding any other provision of this Agreement, no Advance shall be required to be made hereunder if any Default or Event of Default (as hereinafter defined) has occurred and is continuing. Each Advance under the Commitment shall be an aggregate amount of at least $1,000,000 or any whole multiples of $100,000 in excess thereof. Irrespective of the face amount of the Note or Notes, the Lenders shall never have the obligation to Advance any amount or amounts in excess of the Commitment.

(b) Procedure for Borrowing. Whenever Borrowers desire an Advance under the Commitment, the Company shall give Agent telegraphic, telex, facsimile or telephonic notice ("Notice of Borrowing") of such requested Advance, which in the case of telephonic notice, shall be promptly confirmed in writing. Each Notice of Borrowing shall be in the form of Exhibit "A" attached hereto and shall be received by Agent not later than 11:00 a.m. Chicago, Illinois time, (i) on the Borrowing Date in the case of the Base Rate Loan, or (ii) three Business Days prior to any proposed Borrowing Date in the case of LIBOR Loans. Each Notice of Borrowing shall specify (i) the Borrowing Date (which shall be a Business Day), (ii) the principal amount to be borrowed, (iii) the

portion of the Advance constituting Base Rate Loans and/or LIBOR Loans and (iv) if any portion of the proposed Advance is to constitute LIBOR Loans, the initial Interest Period selected by Borrowers pursuant to Section 4 to be applicable thereto. Upon receipt of such Notice, Agent shall advise each Lender thereof; provided, that if the Lenders have received notice of such Advance prior to 12:00 p.m. (noon), Chicago, Illinois time, on the Borrowing Date in the case of a Base Rate Loan, or at least three (3) days' notice of each Advance prior to the Borrowing Date in the case of a LIBOR Loan, each Lender shall provide Agent at its office at Bank One, NA, Mail Code IL1-0634, 1 Bank One Plaza, Chicago, Illinois, 60670-0634, Facsimile Number (312) 732-4840, with a copy to 1717 Main Street, TX1-2448, Dallas, Texas 75201, Facsimile No. (214) 290-2332 Attention: Wm. Mark Cranmer, Director, Capital Markets, not later than 2:00 p.m., Chicago, Illinois time, on the Borrowing Date, in immediately available funds, its pro rata share of the requested Advance, but the aggregate of all such fundings by each Lender shall never exceed such Lender's Commitment. Not later than 3:00 p.m., Chicago, Illinois time, on the Borrowing Date, Agent shall make available to Borrowers at the same office, in like funds, the aggregate amount of such requested Advance. Neither Agent nor any Lender shall incur any liability to Borrowers in acting upon any Notice of Borrowing referred to above which Agent or such Lender believes in good faith to have been given by a duly authorized officer or other Person authorized to borrow on behalf of Borrowers or for otherwise acting in good faith under this Section 2(b). Upon funding of Advances by Lenders and such funds being made available to Borrowers in accordance with this Agreement, pursuant to any such Notice, Borrowers shall have effected Advances hereunder.

(c) Letters of Credit. On the terms and conditions hereinafter set forth, the Agent shall from time to time during the period beginning on the Effective Date and ending on the Maturity Date upon request of the Company issue standby and/or commercial Letters of Credit for the account of Borrowers (the "Letters of Credit") in such face amounts as the Company may request, but not to exceed in the aggregate face amount at any time outstanding the sum of Twenty Million Dollars ($20,000,000.00). The face amount of all Letters of Credit issued and outstanding hereunder shall be considered as Advances on the Commitment for Borrowing Base purposes and all payments made by the Agent on such Letters of Credit shall be considered as Advances under the Notes. Each Letter of Credit issued for the account of any Borrower hereunder shall (i) be in favor of such beneficiaries as specifically requested by the Company, (ii) have an expiration date not exceeding the earlier of (a) one year or (b) the Maturity Date, and (iii) contain such other terms and provisions as may be required by issuing Lender. Each Lender (other than Agent) agrees that, upon issuance of any Letter of Credit hereunder, it shall automatically acquire a participation in the Agent's liability under such Letter of Credit in an amount equal to such Lender's Commitment Percentage of such liability, and each Lender (other than Agent) thereby shall absolutely, unconditionally and irrevocably assume, as primary obligor and not as surety, and shall be unconditionally obligated to Agent to pay and discharge when due, its Commitment

Percentage of Agent's liability under such Letter of Credit. Borrowers hereby unconditionally agree to pay and reimburse the Agent for the amount of each demand for payment under any Letter of Credit that is in substantial compliance with the provisions of any such Letter of Credit at or prior to the date on which payment is to be made by the Agent to the beneficiary thereunder, without presentment, demand, protest or other formalities of any kind. Upon receipt from any beneficiary of any Letter of Credit of any demand for payment under such Letter of Credit, the Agent shall promptly notify Borrowers of the demand and the date upon which such payment is to be made by the Agent to such beneficiary in respect of such demand. Forthwith upon receipt of such notice from the Agent, Borrowers shall advise the Agent whether or not it intends to borrow hereunder to finance its obligations to reimburse the Agent, and if so, submit a Notice of Borrowing as provided in Section 2(b). If Borrowers fail to so advise Agent and thereafter fails to reimburse Agent, the Agent shall notify each Lender of the demand and the failure of Borrowers to reimburse the Agent, and each Lender shall reimburse the Agent for its Commitment Percentage of each such draw paid by the Agent and unreimbursed by Borrowers. All such amounts paid by Agent and/or reimbursed by the Lenders shall be treated as an Advance or Advances under the Commitment, which Advances shall be immediately due and payable and shall bear interest at the Default Rate.

(d) Procedure for Obtaining Letters of Credit. The amount and date of issuance, renewal, extension or reissuance of a Letter of Credit pursuant to the Commitments shall be designated by the Company's written request delivered to Agent at least three (3) Business Days prior to the date of such issuance, renewal, extension or reissuance. Concurrently with or promptly following the delivery of the request for a Letter of Credit, the Company shall execute and deliver to the Agent an application and agreement with respect to the Letters of Credit, said application and agreement to be in the form used by the Agent. The Agent shall not be obligated to issue, renew, extend or reissue such Letters of Credit if (A) the amount thereof when added to the face amount of the outstanding Letters of Credit plus any Reimbursement Obligations exceeds Twenty Million Dollars ($20,000,000.00) or (B) the amount thereof when added to the Total Outstandings would exceed the Commitment. Borrowers agree to pay the Agent for the benefit of the Lenders commissions for issuing the Letters of Credit (calculated separately for each Letter of Credit) in an amount equal to the Applicable Margin then in effect for LIBOR Loans multiplied by the maximum face amount of the Letter of Credit; provided, however, at any time while an Event of Default has occurred and is continuing, the commission on the outstanding Letters of Credit shall be two percent (2%) per annum in excess of the commission otherwise payable under this Agreement on each such Letter of Credit. Borrowers further agree to pay Agent for its own account an additional fronting fee equal to one-eighth of one percent (.125%) per annum multiplied times the maximum face amount of each Letter of Credit. Such commissions shall be payable prior to the issuance of each Letter of Credit and thereafter on each anniversary date of such

issuance while such Letter of Credit is outstanding. Such commissions and fronting fee will be calculated based on the basis of a year consisting of 360 days.

(e) Voluntary Reduction of Commitment. Subject to the provisions of Section 5(e), the Company may at any time, or from time to time, upon not less than three (3) Business Days' prior written notice to Agent, reduce or terminate the Commitment; provided, however, that (i) each reduction in the Commitment must be in the amount of $1,000,000 or more, in increments of $1,000,000 and (ii) each reduction must be accompanied by a prepayment of the Notes in the amount by which the outstanding principal balance of the Notes exceeds the Commitment as reduced pursuant to this Section 2(e).

(f) Mandatory Commitment Reductions. On any day that any Borrower or any Guarantor sells any of its Oil and Gas Properties, the Borrowing Base shall automatically be reduced by a sum equal to the amount of any prepayment required to be made pursuant to Section 12(r). If, as a result of any such reduction in the Borrowing Base, the Total Outstandings ever exceed the Borrowing Base then in effect, Borrowers shall make the mandatory prepayment of principal required pursuant to Section 9(b).

(g) Several Obligations. The obligations of the Lenders under the Commitments are several and not joint. The failure of any Lender to make an Advance required to be made by it shall not relieve any other Lender of its obligation to make its Advance, and no Lender shall be responsible for the failure of any other Lender to make the Advance to be made by such other Lender. No Lender shall be required to lend hereunder any amount in excess of its legal lending limit.

(h) Type and Number of Advances. Any Advance on the Commitment may be a Base Rate Loan or a LIBOR Loan, or a combination thereof, as selected by Borrower pursuant to Section 4. The total number of Tranches which may be outstanding at any time shall never exceed ten (10).

3. NOTES EVIDENCING LOANS. The loans described above in Section 2 shall be evidenced by promissory notes of Borrowers as follows:

(a) Form of Notes. The Loans shall be evidenced by a Note or Notes in the aggregate face amount of $600,000,000, and shall be in the form of Exhibit "B" hereto with appropriate insertions. Notwithstanding the face amount of the Notes, the actual principal amount due from Borrowers to Lenders on account of the Notes, as of any date of computation, shall be the sum of Advances then and theretofore made on account thereof, less all principal payments actually received by Lenders in collected funds with respect thereto. Although the Notes may be dated as of the Effective Date, interest in respect thereof shall be payable only for the period during which the Loans evidenced thereby are outstanding and, although the stated amount of the Notes may be higher, the Notes shall be enforceable, with respect to Borrowers' obligation to pay the principal

amount thereof, only to the extent of the unpaid principal amount of the Loans. Irrespective of the face amount of the Notes, no Lender shall ever be obligated to advance on the Commitment any amount in excess of its Commitment Percentage then in effect.

(b) Issuance of Additional Notes. At the Effective Date, there shall be outstanding Notes in the aggregate face amount of $600,000,000 payable to the order of Lenders. From time to time new Notes may be issued to other Lenders as such Lenders become parties to this Agreement. Upon request from Agent, Borrowers shall execute and deliver to Agent any such new or additional Notes. From time to time as new Notes are issued the Agent shall require that each Lender exchange its Note(s) for newly issued Note(s) to better reflect the extent of each Lender's Commitments hereunder.

(c) Interest Rates. The unpaid principal balance of the Notes shall bear interest from time to time as set forth in Section 4.

(d) Payment of Interest. Interest on the Notes shall be payable on each Interest Payment Date.

(e) Payment of Principal. Principal of the Note or Notes shall be due and payable to the Agent, for the ratable benefit of the Lenders, on the Maturity Date unless earlier due in whole or in part as a result of an acceleration of the amount due or pursuant to the mandatory prepayment provisions of Section 9(b).

(f) Payment to Lenders. Each Lender's Pro Rata Part of payment or prepayment of the Loans shall be directed by wire transfer to such Lender by the Agent at the address provided to the Agent for such Lender for payments no later than 2:00 p.m., Chicago, Illinois time on the Business Day such payments or prepayments are deemed hereunder to have been received by Agent; provided, however, in the event that any Lender shall have failed to make an Advance as contemplated under Section 2 (a "Defaulting Lender") and the Agent or another Lender or Lenders shall have made such Advance, payment received by Agent for the account of such Defaulting Lender or Lenders shall not be distributed to such Defaulting Lender or Lenders until such Advance or Advances shall have been repaid in full to the Lender or Lenders who funded such Advance or Advances. Any payment or prepayment received by Agent at any time after 12:00 noon, Chicago, Illinois, time on a Business Day shall be deemed to have been received on the next Business Day. Interest shall cease to accrue on any principal as of the end of the day preceding the Business Day on which any such payment or prepayment is deemed hereunder to have been received by Agent. If Agent fails to transfer any principal amount to any Lender as provided above, then Agent shall promptly direct such principal amount by wire transfer to such Lender.

(g) Sharing of Payments, Etc. If any Lender shall obtain any payment (whether voluntary, involuntary, or otherwise) on account of the Loans, (including, without limitation, any set-off) which is in excess of its Pro Rata Part of payments on

either of the Loans, as the case may be, obtained by all Lenders, such Lender shall purchase from the other Lenders such participation as shall be necessary to cause such purchasing Lender to share the excess payment pro rata with each of them; provided that, if all or any portion of such excess payment is thereafter recovered from such purchasing Lender, the purchase shall be rescinded and the purchase price restored to the extent of the recovery. Borrowers agree that any Lender so purchasing a participation from another Lender pursuant to this Section may, to the fullest extent permitted by law, exercise all of its rights of payment (including the right of offset) with respect to such participation as fully as if such Lender were the direct creditor of Borrowers in the amount of such participation.

(h) Non-Receipt of Funds by the Agent. Unless the Agent shall have been notified by a Lender or Borrowers (the "Payor") prior to the date on which such Lender is to make payment to the Agent of the proceeds of a Loan to be made by it hereunder or Borrower is to make a payment to the Agent for the account of one or more of the Lenders, as the case may be (such payment being herein called the "Required Payment"), which notice shall be effective upon receipt, that the Payor does not intend to make the Required Payment to the Agent, the Agent may assume that the Required Payment has been made and may, in reliance upon such assumption (but shall not be required to), make the amount thereof available to the intended recipient on such date and, if the Payor has not in fact made the Required Payment to the Agent, the recipient of such payment shall, on demand, pay to the Agent the amount made available to it together with interest thereon in respect of the period commencing on the date such amount was made available by the Agent until the date the Agent recovers such amount at a rate per annum equal to (x) in the case of payment by a Lender, the Federal Funds Effective Rate for such day for the first three days and, thereafter, the interest rate applicable to the relevant Loan or (y) in the case of payment by the Borrowers, the interest rate applicable to the relevant Loan.

4. INTEREST RATES.

(a) Options.

(i) Base Rate Loans. On all Base Rate Loans Borrowers agree to pay interest on the Notes calculated on the basis of the actual days elapsed in a year consisting of 365 days, or if appropriate, 366 days with respect to the unpaid principal amount of each Base Rate Loan from the date the proceeds thereof are made available to Borrowers until maturity (whether by acceleration or otherwise), at a varying rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the Base Rate. Subject to the provisions of this Agreement as to prepayment, the principal of the Notes representing Base Rate Loans shall be payable as specified in Section 3(e) and the interest in respect to each Base Rate

Loan, shall bear interest, payable on demand, at a rate per annum equal to the Default Rate.

(ii) LIBOR Loans. On all LIBOR Loans Borrowers agree to pay interest calculated on the basis of a year consisting of 360 days with respect to the unpaid principal amount of each LIBOR Loan from the date the proceeds thereof are made available to Borrowers until maturity (whether by acceleration or otherwise), at a varying rate per annum equal to the lesser of (i) the Maximum Rate, or (ii) the LIBOR Rate. Subject to the provisions of this Agreement with respect to prepayment, the principal of the Notes shall be payable as specified in Section 3(e) and the interest with respect to each LIBOR Loan shall be payable on each Interest Payment Date applicable thereto. Past due principal and, to the extent permitted by law, past due interest shall bear interest, payable on demand, at a rate per annum equal to the Default Rate. Upon three (3) Business Days' written notice prior to the making by the Lenders of any LIBOR Loan (in the case of the initial Interest Period therefor) or the expiration date of each succeeding Interest Period (in the case of subsequent Interest Periods therefor), Borrowers shall have the option, subject to compliance by Borrowers with all of the provisions of this Agreement, as long as no Event of Default exists, to specify whether the Interest Period commencing on any such date shall be a one (1), two (2), three (3), six (6), nine (9) or twelve (12) month period, subject to availability. If Agent shall not have received timely notice of a designation of such Interest Period as herein provided, Borrowers shall be deemed to have elected to convert all maturing LIBOR Loans to Base Rate Loans.

(b) Interest Rate Determination. The Agent shall determine each interest rate applicable to the Loans hereunder. The Agent shall give prompt notice to Borrowers and the Lenders of each rate of interest so determined and its determination thereof shall be conclusive absent error.

(c) Conversion Option. Borrowers may elect from time to time (i) to convert all or any part of its LIBOR Loans to Base Rate Loans by giving Agent irrevocable notice of such election in writing prior to 10:00 a.m. (Chicago, Illinois time) on the conversion date and such conversion shall be made on the requested conversion date, provided that any such conversion of LIBOR Loan shall only be made on the last day of the Interest Period with respect thereof, (ii) to convert all or any part of its Base Rate Loans to LIBOR Loans by giving the Agent irrevocable written notice of such election no later than three (3) Business Days prior to the proposed conversion and such conversion shall be made on the requested conversion date or, if such requested conversion date is not a Business Day, on the next succeeding Business Day. Any such conversion shall not be

deemed to be a prepayment of any of the loans for purposes of this Agreement or the Notes.

(d) Recoupment. If at any time the applicable rate of interest selected pursuant to Sections 4(a)(i) or 4(a)(ii) above shall exceed the Maximum Rate, thereby causing the interest on the Notes to be limited to the Maximum Rate, then any subsequent reduction in the interest rate so selected or subsequently selected shall not reduce the rate of interest on the Notes below the Maximum Rate until the total amount of interest accrued on the Note equals the amount of interest which would have accrued on the Notes if the rate or rates selected pursuant to Sections 4(a)(i) or 4(a)(ii), as the case may be, had at all times been in effect.

(e) Interest Rates Applicable After Default. Notwithstanding anything to the contrary contained in this Section 4, during the continuance of a Default or an Event of Default the Required Lenders may, at their option, by notice from Agent to Borrower (which notice may be revoked at the option of the Required Lenders notwithstanding the provisions of Section 15, which requires all Lenders to consent to changes in interest rates) declare that no Advance may be made as, converted into, or continued as a LIBOR Loan. During the continuance of an Event of Default, the Required Lenders, may, at their option, by notice from Agent to Borrowers (which notice may be revoked at the option of Required Lenders notwithstanding the provisions of Section 15, which requires all Lenders to consent to changes in interest rates) declare that (i) each LIBOR Loan shall bear interest for the remainder of the applicable Interest Period at the Default Rate and (ii) each Base Rate Loan shall bear interest at the Default Rate, provided that, during the continuance of an Event of Default under Section 14(f) or 14(g), the interest rate set forth in clauses (i) and (ii) above shall be applicable to all outstanding Loans without any election or action on the part of the Agent or any Lender.

5. SPECIAL PROVISIONS RELATING TO LOANS.

(a) Unavailability of Funds or Inadequacy of Pricing. In the event that, in connection with any proposed LIBOR Loan, the Agent reasonably determines, which determination shall, absent manifest error, be final, conclusive and binding upon all parties, due to changes in circumstances since the date hereof, adequate and fair means do not exist for determining the LIBOR Rate or such rate will not accurately reflect the costs to the Lenders of funding LIBOR Loans for such Interest Period, the Agent shall give notice of such determination to Borrowers and the Lenders, whereupon, until the Agent notifies Borrowers and the Lenders that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make, continue or convert Loans into LIBOR Loan shall be suspended, and all Loans to Borrowers shall be Base Rate Loans during the period of suspension.

(b) Change in Laws. If at any time any new law or any change in existing laws or in the interpretation of any new or existing laws shall make it unlawful for any

Lender to make or continue to maintain or fund LIBOR Loans hereunder, then such Lender shall promptly notify Borrowers in writing and such Lender's obligation to make, continue or convert Loans into LIBOR Loans under this Agreement shall be suspended until it is no longer unlawful for such Lender to make or maintain LIBOR Loans. Upon receipt of such notice, Borrowers shall either repay the outstanding LIBOR Loans owed to such Lender, without penalty, on the last day of the current Interest Periods (or, if any Lender may not lawfully continue to maintain and fund such LIBOR Loans, immediately), or Borrowers may convert such LIBOR Loans at such appropriate time to Base Rate Loans.

(c) Increased Cost or Reduced Return.

(i) If, after the date hereof, the adoption of any applicable law, rule, or regulation, or any change in any applicable law, rule, or regulation, or any change in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or compliance by any Lender with any request or directive (whether or not having the force of law) of any such governmental authority, central bank, or comparable agency:

(A) shall subject such Lender to any tax, duty, or other charge with respect to any LIBOR Loans, its Notes, or its obligation to make LIBOR Loans, or change the basis of taxation of any amounts payable to such Lender under this Agreement or its Notes in respect of any LIBOR Loan (other than franchise taxes and taxes imposed on or measured by the overall net income of such Lender);

(B) shall impose, modify, or deem applicable any reserve, special deposit, assessment, or similar requirement (other than reserve requirements, if any, taken into account in the determination of the LIBOR Rate) relating to any extensions of credit or other assets of, or any deposits with or other liabilities or commitments of, such Lender, including the Commitment of such Lender hereunder; or

(C) shall impose on such Lender or on the London interbank market any other condition affecting this Agreement or its Notes or any of such extensions of credit or liabilities or commitments;

and the result of any of the foregoing is to increase the cost to such Lender of making, converting into, continuing, or maintaining any LIBOR Loan or to reduce any sum received or receivable by such Lender under this Agreement or its Notes with respect to any LIBOR Loan, then Borrowers shall pay to such Lender on demand such amount or amounts as will reasonably compensate such Lender for such increased cost or reduction. If any Lender requests compensation by Borrowers under this Section 5(c), Borrowers may, by notice to such Lender (with a copy to Agent), suspend the obligation of such Lender to make or continue LIBOR Loans, or to convert all or part of the Base Rate Loans owing to such Lender to LIBOR Loans, until the event or condition giving rise to such request ceases to be in effect (in which case the provisions of Section 5(c) shall be applicable); provided that such suspension shall not affect the right of such Lender to receive the compensation so requested.

(ii) If, after the Effective Date, any Lender shall have reasonably determined that the adoption of any applicable law, rule, or regulation regarding capital adequacy or any change therein or in the interpretation or administration thereof by any governmental authority, central bank, or comparable agency charged with the interpretation or administration thereof, or any request or directive regarding capital adequacy (whether or not having the force of law) of any such governmental authority, central bank, or comparable agency, has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of such Lender's obligations hereunder to a level below that which such Lender or such corporation could have achieved but for such adoption, change, request, or directive (taking into consideration its policies with respect to capital adequacy), then from time to time upon demand Borrowers shall pay to such Lender such additional amount or amounts as will reasonably compensate such Lender for such reduction.

(iii) Each Lender shall promptly notify Borrowers and Agent of any event of which it has knowledge, occurring after the Effective Date, which will entitle such Lender to compensation pursuant to this Section 5(c) and will designate an alternative Lending Installation, if applicable, if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Lender, be otherwise disadvantageous to it. Any Lender claiming compensation under this Section 5(c) shall furnish to Borrowers and Agent a statement setting forth the additional amount or amounts to be paid to it hereunder which shall be conclusive in the absence of manifest error. In

determining such amount, such Lender may use any reasonable averaging and attribution methods.

(iv) Any Lender giving notice to Borrowers through the Agent pursuant to Section 5(c) shall give to Borrowers a statement signed by an officer of such Lender setting forth in reasonable detail the basis for, and the calculation of such additional cost, reduced payments or capital requirements, as the case may be, and the additional amounts required to compensate such Lender therefor.

(v) Within five (5) Business Days after receipt by Borrowers of any notice referred to in Section 5(c), Borrowers shall pay to the Agent for the account of the Lender issuing such notice such additional amounts as are required to compensate such Lender for the increased cost, reduced payments or increased capital requirements identified therein, as the case may be.

(vi) Failure or delay on the part of any Lender to demand compensation pursuant to this Section shall not constitute a waiver of any such Lender's right to demand such compensation.

(d) Discretion of Lender as to Manner of Funding. Notwithstanding any provisions of this Agreement to the contrary, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loan in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if each Lender had actually funded and maintained each LIBOR Loan through the purchase of deposits having a maturity corresponding to the last day of the Interest Period applicable to such LIBOR Loan and bearing an interest rate at the applicable interest rate for such Interest Period.

(e) Breakage Fees. Without duplication under any other provision hereof, if any Lender incurs any loss, cost or expense including, without limitation, any loss of profit and loss, cost, expense or premium reasonably incurred by reason of the liquidation or re-employment of deposits or other funds acquired by such Lender to fund or maintain any LIBOR Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to the Lenders as a result of any of the following events other than any such occurrence as a result in the change of circumstances described in Sections 5(a) and (b):

(i) any payment, prepayment or conversion of a LIBOR Loan on a date other than the last day of its Interest Period (whether by acceleration, prepayment or otherwise);

(ii) any failure to make a principal payment of a LIBOR Loan on the due date thereof; or

(iii) any failure by Borrowers to borrow, continue, prepay or convert to a LIBOR Loan on the dates specified in a notice given pursuant to Section 2(b) or 4(c);

then Borrowers shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall furnish to Borrowers and Agent a statement setting forth the amount of such loss, cost or expense in reasonable detail (including an explanation of the basis for and the computation of such loss, cost or expense) and the amounts shown on such statement shall be conclusive and binding absent manifest error.

(f) Joint and Several Liability. The Obligations shall constitute one joint and several direct and general obligation of the Borrowers. Notwithstanding anything to the contrary contained herein, each of the Borrowers shall be jointly and severally, with each other Borrower, directly and unconditionally liable to the Agent, the Lenders and, with respect to any Rate Management Obligations, each Lender Counterparty, for all Obligations and shall have the obligations of co-maker with respect to the Loans, the Notes, and the other Obligations, it being agreed that the Advances to each Borrower inure to the benefit of all Borrowers, and that the Administrative Agent, the Lenders and their Affiliates are relying on such joint and several liability of the Borrowers as co-makers in extending the Loans and Rate Management Obligations hereunder and under the Rate Management Transactions.

(g) Replacement of Lenders. In the event that (i) any Lender suspends its obligations to make LIBOR Loans pursuant to Section 5(b) or requests compensation under Section 5(c), (any Lender so affected an "Affected Lender"), or (ii) in connection with any proposed amendment, modification, termination, waiver or consent with respect to this Agreement or any other Loan Document as contemplated by Section 24, the consent of Required Lenders shall have been obtained but the consent of one or more of such other Lenders (each a "Non-Consenting Lender") whose consent is required has not been obtained; then Borrowers, with the consent of the Agent, shall have the right to remove or replace such Affected Lender or Non-Consenting Lender (a "Terminated Lender") as a party to this Agreement, Borrowers may, upon notice to such Lender and Agent and with the consent of the Agent, (i) remove such Terminated Lender by terminating such Lender's Revolving Commitment, or (ii) replace such Terminated Lender by causing such Terminated Lender to assign its Revolving Commitment (without payment of any assignment fee) pursuant to Section 28 to one or more other Lenders or other Persons procured by Borrowers and approved by Agent. Borrowers shall pay in full all principal, interest, fees, and other amounts owing to such Terminated Lender through the date of termination or assignment. Any Terminated Lender being replaced shall execute and deliver an Assignment and Acceptance with respect to such Terminated Lender's Commitment and outstanding Loans.

(h) Designated Senior Debt. The Company hereby designates the Obligations as " Designated Senior Debt," as such term is defined in the Indenture, and agrees to take any and all actions required under the Indenture, if any, to cause the Obligations to be "Designated Senior Debt" under the Indenture.

6. COLLATERAL SECURITY. To secure the performance by Borrowers and the Guarantors of the Obligations, whether now or hereafter incurred, matured or unmatured, direct or contingent, joint or several, or joint and several, including extensions, modifications, renewals and increases thereof, and substitutions therefor, Borrowers and the Guarantors have heretofore granted and shall herewith or hereafter grant and assign to Agent for the ratable benefit of the Lenders a first and prior Lien or Liens on certain of their Oil and Gas Properties, certain related equipment, oil and gas inventory and proceeds of the foregoing. The Oil and Gas Properties heretofore and hereafter assigned and mortgaged to the Agent by Borrowers and the Guarantors shall represent not less than 80% of the Engineered Value (as hereinafter defined) of Borrowers' and Guarantors' Oil and Gas Properties, taken as a whole. In addition to the mortgaging of the Oil and Gas Properties, each Borrower shall (i) pledge to the Agent for the benefit of the Lenders a first and prior lien on all of the issued and outstanding Capital Stock of each of their Material Domestic Subsidiaries, and (ii) to cause each Material Domestic Subsidiary (other than GLEP) to provide to the Agent, for the benefit of the Lenders, a Guaranty. All Rate Management Obligations of any Borrower or any Guarantor to any Lender Counterparty shall be secured by the Collateral (as hereinafter defined) on a pari passu basis with the other Obligations of Borrower and the Guarantors under the Loan Documents and such Rate Management Obligations shall continue to be secured by the Collateral on a pari passu basis with such Obligations regardless of whether the Person counterparty to such Rate Management Obligation ceases to be a Lender or an Affiliate of a Lender at any time thereafter. All Oil and Gas Properties and other assets, properties or interests in which Borrowers or any Guarantor herewith grants or hereafter grants to Agent for the ratable benefit of the Lenders a first and prior Lien (to the satisfaction of the Agent) in accordance with this Section 6, including the Oil and Gas Properties, as such assets, properties and interests are from time to time constituted, are hereinafter collectively called the "Collateral".

The granting and assigning of such security interests and Liens by Borrowers and certain of the Guarantors shall be pursuant to Security Instruments in form and substance reasonably satisfactory to the Agent. Concurrently with the delivery of each of the Security Instruments or within a reasonable time thereafter, Borrowers and Guarantors shall have furnished or caused to be furnished to the Agent mortgage and title opinions and other title information reasonably satisfactory to Agent with respect to the title and Lien status of (i) the Company and the Guarantors' interests in not less than 80% of the Engineered Value of the mortgaged Oil and Gas Properties of the Company and the Guarantors, taken as a whole, and (ii) GLEP's interests in not less than 30% of the Engineered Value of the mortgaged Oil and Gas Properties of GLEP. "Engineered Value" for this purpose shall mean future net revenues discounted at the discount rate being used by the Agent as of the date of any such determination utilizing the pricing parameters used in the engineering report furnished to the Agent pursuant to Sections 7 and 12.

Borrowers will cause to be executed and delivered to the Agent, in the future, additional Security Instruments if the Agent reasonably deems such are necessary to insure perfection or maintenance of Lenders' security interests and Liens in not less than 80% of the Engineered Value of the Oil and Gas Properties or any part thereof of Borrowers and the Guarantors, taken as a whole.

7. BORROWING BASE.

(a) Borrowing Base. Subject to Section 7(b), as of the Effective Date, the Borrowing Base shall be $500,000,000.

(b) Subsequent Determinations of Borrowing Base. Subsequent determinations of the Borrowing Base shall be made by the Lenders semi-annually on April 1 and October 1 of each year beginning October 1, 2004 or as Unscheduled Redeterminations. By March 1 each year, beginning March 1, 2005, Borrowers shall furnish to the Lenders an engineering report in form and substance reasonably satisfactory to Agent prepared by an independent petroleum engineering firm acceptable to Agent, said engineering report to utilize economic and pricing parameters used by the Agent as established from time to time, together with such other information, reports and data concerning the value of the Oil and Gas Properties as Agent shall deem reasonably necessary to determine the value of such Oil and Gas Properties. By September 1 of each year beginning September 1, 2004, or within thirty (30) days after either (i) receipt of notice from Agent that the Lenders require an Unscheduled Redetermination, or (ii) Borrowers give notice to Agent of its desire to have an Unscheduled Redetermination performed, in each case Borrowers shall furnish to the Lenders an engineering report in form and substance reasonably satisfactory to Agent, said engineering report to utilize economic and pricing parameters used by the Agent as established from to time, together with such other information, reports and data concerning the value of such Oil and Gas Properties. Agent shall by written notice to Borrowers no later than April 1 and October 1 of each year, or within a reasonable time thereafter (herein called the "Determination Date"), notify Borrowers of the designation by the Lenders of the new Borrowing Base for the period beginning on such Determination Date and continuing until, but not including, the next Determination Date. If an Unscheduled Redetermination is to be made by the Lenders, the Agent shall notify Borrowers within a reasonable time after receipt of all requested information of the new Borrowing Base, and such new Borrowing Base shall continue until the next Determination Date. If Borrowers do not furnish all such information, reports and data by any date specified in this Section 7(b), unless such failure is reasonably determined by the Agent to be of no fault of Borrowers, the Lenders nonetheless designate the Borrowing Base at any amounts which the Lenders in their reasonable discretion determine and redesignate the Borrowing Base from time to time thereafter until the Lenders receive all such information, reports and data, whereupon the Lenders shall designate a new Borrowing Base, as described above. The procedure for determining the Borrowing Base at each

redetermination shall be that the Agent shall determine the Borrowing Base and submit the same to the Lenders. Increases in the Borrowing Base will require approval of all Lenders, but other reaffirmation or changes in the Borrowing Base will be subject to the approval of Super Majority Lenders. If any redetermined Borrowing Base is not approved by Super Majority Lenders within twenty (20) days after submission to the Lenders by Agent of the proposed amount, the Agent shall notify each of the Lenders that the proposed Borrowing Base has not been approved and each Lender will submit within ten (10) days thereafter its proposed Borrowing Base. The redetermined Borrowing Base shall be then determined (in all cases except those involving an increase of the Borrowing Base which requires approval of all Lenders) based upon the weighted arithmetic average of the proposed amounts submitted by each Lender, said proposals to be weighted according to each Lender's Commitment. Each Lender shall determine the amount of the Borrowing Base based upon the loan collateral value which such Lender in its sole discretion (using such methodology, assumptions and discount rates as such Lender customarily uses in assigning collateral value to oil and gas properties, oil and gas gathering systems, gas processing and plant operations) assigns to such Oil and Gas Properties of Borrowers and the Guarantors at the time in question and based upon such other credit factors consistently applied (including, without limitation, the assets, liabilities, cash flow, business, properties, prospects, management and ownership of Borrowers and their affiliates) as such Lender customarily considers in evaluating similar oil and gas credits. If at any time any of the Oil and Gas Properties are sold, the Borrowing Base then in effect shall automatically be reduced by a sum equal to the amount of prepayment, if any, required to be made pursuant to Section 12(r). It is expressly understood that the Lenders have no obligation to designate the Borrowing Base at any particular amounts, except in the exercise of their discretion, whether in relation to the Commitments or otherwise; provided, however, that the Lenders shall not have the obligation to designate a Borrowing Base in an amount in excess of the Commitment.

8. FEES.

(a) Unused Commitment Fee. Borrowers shall pay to Agent, for the ratable benefit of the Lenders, an unused commitment fee (the "Unused Commitment Fee") equivalent to the Applicable Margin times the daily average of the sum of the Borrowing Base minus Total Outstandings. Such Unused Commitment Fee shall be calculated on the basis of a year consisting of 360 days. The Unused Commitment Fee shall be payable in arrears on the last day of each calendar quarter beginning June 30, 2004 with the final fee payment due on the Maturity Date for any period then ending for which the Unused Commitment Fee shall not have been theretofore paid. In the event the Commitment terminates on any date prior to the end of any such quarterly period, Borrowers shall pay to the Agent for the ratable benefit of the Lenders, on the date of such termination, the total Unused Commitment Fee due for the period in which such termination occurs. If a

date for payment of the Unused Commitment Fee shall be other than a Business Day such payment shall be made on the next succeeding Business Day.

(b) Agent and Arranger Fees. The Borrowers agree to pay to the Agent and the Arranger, for their respective accounts, the fees agreed to by the Borrowers, the Agent and the Arranger pursuant to that certain letter agreement dated June 2, 2004, or as otherwise agreed from time to time.

9. PREPAYMENTS.

(a) Voluntary Prepayments. Subject to the provisions of Section 5(e), Borrowers may at any time and from time to time, without penalty or premium, prepay the Notes, in whole or in part. Each such prepayment (i) on LIBOR Loans shall be made on at least three (3) Business Days' prior written notice to Agent in a minimum amount of $1,000,000 or any integral multiple of $1,000,000 in excess thereof (or the unpaid balance of the Notes, whichever is less) plus accrued interest thereon to the date of prepayment and (ii) on Base Rate Loans may be made with prior written notice to Agent given on the same day of such prepayment in a minimum amount of $100,000 or any integral multiple of $100,000 in excess thereof (or the unpaid balance on the Notes, whichever is less) plus accrued interest thereon to the date of prepayment.

(b) Mandatory Prepayment For Borrowing Base Deficiency. In the event the Total Outstandings ever exceed the Borrowing Base as determined by Lenders pursuant to Section 7(b) and 7(c) (a "Borrowing Base Deficiency"), Borrowers shall, within ninety (90) days after written notification from the Agent, either (A) by instruments reasonably satisfactory in form and substance to the Lender, provide the Agent with Collateral with value and quality in amounts satisfactory to all of the Lenders in their discretion in order to increase the Borrowing Base by an amount at least equal to such excess, or (B) prepay, without premium or penalty, the principal amount of the Notes in an amount at least equal to such excess plus accrued interest thereon to the date of prepayment, or (C) prepay, without premium or penalty, the principal amount of such excess in not more than two (2) equal installments to be applied to principal plus accrued interest thereon with the first such installment being due upon the 90th day after receipt of notice of such deficiency with the remaining installment being due in one hundred eighty (180) days of receipt of notice of such deficiency. If the Total Outstandings ever exceed the Commitment or the Borrowing Base as a result of a required reduction in the Commitment or the Borrowing Base pursuant to Section 2(f), then in such event, Borrowers shall, upon written notice, immediately prepay the principal amount of the Notes in an amount at least equal to such excess plus accrued interest to the date of prepayment.

10. REPRESENTATIONS AND WARRANTIES. In order to induce the Lenders to enter into this Agreement, Borrowers represent and warrant to the Lenders (which representations and warranties will survive the delivery of the Notes) that:

(a) Creation and Existence. The Company is a corporation duly organized, validly existing and in good standing under the laws of the of the State of Delaware and is duly qualified in all jurisdictions wherein failure to qualify may result in a Material Adverse Effect. GLEP is a limited liability company duly and property organized, validly existing and in good standing under the laws of Delaware and is duly qualified in all jurisdictions wherein failure to qualify may result in a Material Adverse Effect. Each of the Guarantors is a corporation, partnership or limited liability company duly and properly incorporated or organized, validly existing and in good standing under the laws of its jurisdiction of incorporation or organization and is duly qualified in all jurisdictions wherein failure to qualify may result in a Material Adverse Effect. Each Borrower and each Guarantor has all corporate power and authority to own their respective properties and assets and to transact the business in which they are engaged.

(b) Power and Authority. Each Borrower is duly authorized and empowered to create and issue the Notes; and each Borrower and each Guarantor is duly authorized and empowered to execute, deliver and perform their respective Loan Documents, including this Agreement; and all action on each Borrower's and each Guarantor's part requisite for the due creation and issuance of the Notes and for the due execution, delivery and performance of the Loan Documents, including this Agreement, has been duly and effectively taken.

(c) Binding Obligations. This Agreement does, and the Notes and other Loan Documents upon their creation, issuance, execution and delivery will, constitute valid and binding obligations of each Borrower and each Guarantor, respectively, enforceable in accordance with its respective terms (except that enforcement may be subject to general principles of equity and any applicable bankruptcy, insolvency, or similar debtor relief laws now or hereafter in effect and relating to or affecting the enforcement of creditors' rights generally).

(d) No Legal Bar or Resultant Lien. The Notes and the Loan Documents, including this Agreement, do not and will not, to the best of each Borrower's or each Guarantor's knowledge violate or conflict with or result in a default under any provisions of any Borrower's or any Guarantor's charter, bylaws or other organizational documents or any contract, agreement, law, regulation, order, injunction, judgment, decree or writ to which any Borrower or any Guarantor is subject, or result in the creation or imposition of any lien or other encumbrance upon any assets or properties of any Borrower or any Guarantor, other than those contemplated by this Agreement.

(e) No Consent. The execution, delivery and performance by Borrowers of the Notes and the execution, delivery and performance by each Borrower and each Guarantor of the other Loan Documents, including this Agreement, does not require the consent or approval of any other Person or entity, including without limitation any regulatory authority or governmental body of the United States or any state thereof or any political subdivision of the United States or any state thereof except for consents required

for federal, state and, in some instances, private leases, right of ways and other conveyances or encumbrances of oil and gas leases all of which shall have been obtained.

(f) Financial Condition. The audited consolidated Financial Statements of the Company dated as of December 31, 2003 which have been delivered to Lenders by the Company are complete and correct in all material respects and fully and accurately reflect in all material respects the financial conditions and the results of the operations of the Company and its Subsidiaries as of such date and for the period stated and no change has occurred between such date and the Effective Date in the condition, financial or otherwise of the Company or its Subsidiaries which is reasonably expected to have a Material Adverse Effect, except as disclosed to Lenders in Schedule "2" attached hereto.

(g) Liabilities. Neither Borrowers nor any Guarantor has any material liability, direct or contingent on the Effective Date, except as disclosed to the Lenders in the Financial Statements or on Schedule "3" attached hereto. No unusual or unduly burdensome restrictions, restraint, or hazard exists by contract, law or governmental regulation or otherwise relative to the business, assets or properties of any Borrower or any Guarantor which is reasonably expected to have a Material Adverse Effect or which involve any of the Loan Documents.

(h) Litigation. Except as described in the Financial Statements, or as otherwise disclosed to the Lenders in Schedule "4" attached hereto, on the Effective Date there is no litigation, legal or administrative proceeding, investigation or other action of any nature pending or, to the knowledge of any directors or the officers of any Borrower or any Guarantor, threatened against or affecting any Borrower or any Guarantor which involves the possibility of any judgment or liability not fully covered by insurance, and which is reasonably expected to have a Material Adverse Effect.

(i) Taxes; Governmental Charges. Each Borrower and each Guarantor has filed all tax returns and reports required to be filed and has paid all taxes, assessments, fees and other governmental charges levied upon it or its assets, properties or income which are due and payable, including interest and penalties, the failure of which to pay could reasonably be expected to have a Material Adverse Effect, except such as are being contested in good faith by appropriate proceedings and for which adequate reserves for the payment thereof as required by GAAP has been provided and levy and execution thereon have been stayed and continue to be stayed.

(j) Titles, Etc. Each Borrower and each Guarantor has good and defensible title to all of their material assets, including without limitation, the Oil and Gas Properties, free and clear of all Liens or other encumbrances except Permitted Liens.

(k) Defaults. Neither Borrowers nor any Guarantor is in default and no event or circumstance has occurred which, but for the passage of time or the giving of notice, or both, would constitute a default under any loan or credit agreement, indenture, mortgage,

deed of trust, security agreement or other agreement or instrument to which any Borrower or any Guarantor is a party in any respect that would be reasonably expected to have a Material Adverse Effect. No Default or Event of Default hereunder has occurred and is continuing.

(l) Casualties; Taking of Properties. Since the dates of the latest Financial Statements of the Company delivered to Lenders, there has been no change in the business, properties, condition (financial or otherwise) or results of operations of Borrowers (to the extent it is reasonably expected to cause a Material Adverse Effect), as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labor disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign government or any agency thereof, riot, activities of armed forces or acts of God or of any public enemy.

(m) Use of Proceeds; Margin Stock. The proceeds of the Loans may be used by Borrowers solely for (i) the payment of the purchase price for the GLEP Acquisition, (ii) the renewal, extension, rearrangement and modification of all indebtedness and obligations of the Borrowers under or in connection with the Original Credit Agreement (iii) the payment of the fees, costs and expenses incurred in connection with the Related Transactions, (iv) working capital, (v) the acquisition, exploration, and development of oil and gas properties, and (vi) other general corporate purposes, including, without limitation, the purchase of Junior Securities to the extent permitted under Section 13(f). Borrowers are not engaged principally or as one of their important activities in the business of extending credit for the purpose of purchasing or carrying any "margin stock " as defined in Regulation U of the Board of Governors of the Federal Reserve System (12 C.F.R. Part 221), or for the purpose of reducing or retiring any indebtedness which was originally incurred to purchase or carry a margin stock or for any other purpose which might constitute this transaction a "purpose credit" within the meaning of said Regulation U.

Neither Borrowers nor any Person or entity acting on behalf of any Borrower has taken or will take any action which might cause the loans hereunder or any of the Loan Documents, including this Agreement, to violate Regulation U or any other regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Exchange Act of 1934 or any rule or regulation thereunder, in each case as now in effect or as the same may hereafter be in effect.

(n) Location of Business and Offices. The principal place of business and chief executive offices of each Borrower and each Guarantor is located at the address as stated in Section 17.

(o) Compliance with the Law. To the best of each Borrower's knowledge, neither Borrowers nor any Guarantor:

(i) is in violation of any law, judgment, decree, order, ordinance, or governmental rule or regulation to which any Borrower, any Guarantor, or any of its assets or properties are subject; or

(ii) has failed to obtain any license, permit, franchise or other governmental authorization necessary to the ownership of any of its assets or properties or the conduct of its business;

which violation or failure is reasonably expected to have a Material Adverse Effect.

(p) No Material Misstatements. No information, exhibit or report furnished by any Borrower or any Guarantor to the Lenders in connection with the negotiation of this Agreement contained any material misstatement of fact or omitted to state a material fact or any fact necessary to make the statements contained therein not materially misleading.

(q) Not A Utility. None of Borrowers is a utility subject to regulation under the laws of in the State of Texas as a result of being engaged in the (i) generation, transmission, or distribution and sale of electric power; (ii) transportation, distribution and sale through a local distribution system of natural or other gas for domestic, commercial, industrial, or other use; (iii) provision of telephone or telegraph service to others; (iv) production, transmission, or distribution and sale of steam or water; (v) operation of a railroad; or (vii) provision of sewer service to others.

(r) ERISA. Each Borrower is in compliance in all material respects with the applicable provisions of ERISA, and no "reportable event", as such term is defined in Section 403 of ERISA, has occurred with respect to any Plan of any Borrower.

(s) Public Utility Holding Company Act. Neither of Borrowers is a "holding company", or "subsidiary company" of a "holding company", or an "affiliate" of a "holding company" or of a "subsidiary company" of a "holding company", or a "public utility" within the meaning of the Public Utility Holding Company Act of 1935, as amended.

(t) Legal Names. The exact legal name of the Company and each of its Subsidiaries, their respective jurisdiction of organization, dates of organization, organizational identification numbers and taxpayer identification numbers are listed on Schedule "5" hereto.

(u) Environmental Matters. Except as disclosed on Schedule "6", as of the Effective Date neither Borrowers nor any Guarantor (i) has received notice or otherwise learned or is otherwise aware of any Environmental Liability which would be reasonably expected to individually or in the aggregate have a Material Adverse Effect arising in connection with (A) any non-compliance with or violation of the requirements of any

Environmental Law or (B) the release or threatened release of any toxic or hazardous waste into the environment, (ii) has received notice or otherwise is aware of any threatened or actual liability in connection with the release or notice of any threatened release of any toxic or hazardous waste into the environment which would be reasonably expected to individually or in the aggregate have a Material Adverse Effect or (iii) has received notice or otherwise learned of or is otherwise aware of any federal or state investigation evaluating whether any remedial action is needed to respond to a release or threatened release of any toxic or hazardous waste into the environment for which any Borrower or any Guarantor is or may be liable which would reasonably be expected to result in a Material Adverse Effect.

(v) Liens. Except for Permitted Liens, the assets and properties of each Borrower and each Guarantor are free and clear of all Liens and encumbrances.

(w) Solvency. Immediately after the consummation of the Related Transactions and after giving effect to the application of the proceeds of such Loans, (a) the fair value of the assets of each Borrower and each Guarantor on a consolidated basis, at a fair valuation, will exceed their respective debts and liabilities, subordinated, contingent or otherwise; (b) the present fair saleable value of the property of each Borrower and each Guarantor on a consolidated basis will be greater than the amount that will be required to pay the probable liability of their respective debts and other liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; (c) each Borrower and each Guarantor on a consolidated basis will be able to pay their respective debts and liabilities, subordinated, contingent or otherwise, as such debts and liabilities become absolute and matured; and (d) each Borrower and each Guarantor on a consolidated basis will not have unreasonably small capital with which to conduct the business in which they are engaged as such business is now conducted and is proposed to be conducted following the Effective Date.

(x) Insurance. All insurance reasonably necessary in the ordinary course of Borrowers' and any Guarantor's business is maintained by or on behalf of Borrower and any such Guarantor and all premiums in respect of such insurance have been paid.

(y) Consummation of the GLEP Acquisition. The GLEP Acquisition has been duly consummated in accordance with the terms of the GLEP Acquisition Agreement without amendment or waiver of any material term or provision thereof. True and correct copies of the GLEP Acquisition Agreement (including all amendments or modifications thereof) have been delivered to Agent pursuant to Section 11.1(xiv). Neither the Company nor GLEP is in default, and to the knowledge of the Company neither FirstEnergy nor Marbel is in default, under the GLEP Acquisition Agreement or under any instrument or document to be delivered in connection therewith. All of the transactions engaged in by the Company, GLEP and their Affiliates as part of the GLEP Acquisition were legal and valid and in compliance with all applicable law.

11. CONDITIONS OF LENDING.

(a) The effectiveness of this Agreement, and the obligation to make the initial Advance or issue any initial Letter of Credit under the Commitment shall be subject to satisfaction of the following conditions precedent:

(i) Borrowers' Execution and Delivery. Each Borrower shall have executed and delivered the Agreement, the Notes and other required Loan Documents, all in form and substance satisfactory to the Agent;

(ii) Guarantors' Execution and Delivery. Each Material Domestic Subsidiary shall have executed and delivered its Guaranty in the form of Exhibit "C" and each other Loan Document required under this Agreement;

(iii) Legal Opinions. The Agent shall have received from Borrowers' and Guarantors' legal counsel one or more favorable legal opinions in form and substance reasonably satisfactory to the Agent as to each Borrower's and each Guarantor's status and the enforceability and legal and binding effect of the transactions contemplated by this Agreement and any of the other Loan Documents;

(iv) Resolutions. The Agent shall have received appropriate certified corporate resolutions of each Borrower and each Guarantor authorizing the execution of each Loan Document to which it is a party and Agent shall have received any other information required by Section 326 of the USA PATRIOT ACT or necessary for the Agent or any Lender to verify the identity of any Borrower or any Guarantor as required by Section 326 of the USA PATRIOT ACT;

(v) Good Standing. The Agent shall have received evidence of existence and good standing for each Borrower and each Guarantor;

(vi) Incumbency. The Agent shall have received a signed certificate of each Borrower and each Guarantor, certifying the names of the officers of each Borrower and each Guarantor authorized to sign loan documents on behalf of such Borrower and such Guarantor, together with the true signatures of each such officer. The Agent may conclusively rely on such certificate until the Agent receives a further certificate of any Borrower and any Guarantor canceling or amending the prior certificate and submitting signatures of the officers named in such further certificate;

(vii) Organizational Documents. The Agent shall have received copies of the Organizational Documents for each Borrower and each Guarantor together with all amendments thereto, appropriately certified by governmental authority in

the jurisdiction of incorporation of each Borrower and each Guarantor or one or more officers of each Borrower or each Guarantor, as the case may be, as being true, correct and complete;

(viii) Payment of Fees. The Agent shall have received for the benefit of Lenders the fees required pursuant to Section 8;

(ix) Representation and Warranties. The representations and warranties of each Borrower and each Guarantor under this Agreement and the other Loan Documents shall be true and correct in all material respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date);

(x) Officer's Certificate. A certificate, signed by the Chief Financial Officer of the Company stating that on the Effective Date and after giving effect to the Related Transactions and the Advances to be made on such date (including advances under the Original Range Credit Agreement on such date), (i) no Default or Event of Default has occurred and is continuing (ii) the Obligations constitute "Senior Debt" (as such term is defined in the Indenture) permitted to be incurred under the terms of the Indenture and accompanied by reasonable detailed calculations demonstrating compliance with the foregoing clause (ii) and (iii) that effective upon the closing of the GLEP Acquisition, GLEP will be released from not less than one-half (1/2) of the Commodity Hedge Transactions of GLEP in effect immediately prior to the Effective Date on terms and conditions reasonably satisfactory to the Agent if the Company has elected to make the Optional Hedging Payment.

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

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

(xiii) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for Agent retained at the expense of Borrowers;

(xiv) GLEP Acquisition. (1) The GLEP Acquisition shall have been or simultaneously with the initial Advance will be, consummated substantially in accordance with the terms and provisions of the GLEP Acquisition Agreement, without the waiver of any condition thereto if the effect thereof would have a Material Adverse Effect on the Company and its Subsidiaries as a whole; (2) the

Acquired Interests Transfer shall have been, or simultaneously with the initial Advance will be, consummated on terms acceptable to the Agent; (3) Agent shall have received true and complete executed or conformed copies of the GLEP Acquisition Agreement and any amendments and modifications thereto; (4) Agent shall have received true and complete executed copies of the documents and agreements evidencing the Acquired Interests Transfer; (5) the GLEP Acquisition Agreement shall be in full force and effect and no material term or condition thereof shall have been amended, modified or waived after the execution thereof except with the prior written consent of Agent; (6) Agent shall have received a certificate from the Company's chief financial officer and such other evidence satisfactory to it that each of the conditions set forth in clauses (1) through (5) above have been satisfied;

(xv) Security Instruments. In order to create in favor of Agent, for the benefit of Lenders, a valid and, subject to any filing and/or recording referred to herein, perfected Lien (subject only to Permitted Liens) in the Oil and Gas Properties and the other assets, interests and properties of Borrowers and the Guarantors pursuant to Section 6, Agent shall have received from each Borrower and each applicable Guarantor:

(1) fully executed and notarized Mortgages, in proper form for recording in all appropriate places in all applicable jurisdictions, encumbering such Oil and Gas Properties;

(2) an opinion of counsel (which counsel shall be reasonably satisfactory to Agent) in each state in which such Oil and Gas Properties are located with respect to the enforceability of the form(s) of Mortgages to be recorded in such state and such other matters as Agent may reasonably request, in each case in form and substance reasonably satisfactory to Agent;

(3) fully executed pledge agreements covering all of the issued and outstanding Capital Stock of GLEP and each Guarantor of the Company in form and substance satisfactory to the Agent from each owner and holder of such Capital Stock; and

(4) evidence satisfactory to the Agent of the compliance by the Company and each Guarantor of their obligations under the pledge agreements and the other Security Instruments required under Section 6 (including, without limitation, their obligations to execute and deliver UCC financing statements, originals of securities or instruments as provided therein).

(5) evidence satisfactory to the Agent of the compliance by the Borrowers with the requirements under Section 12(v) with respect to the title of the Borrowers and the Guarantors to the mortgaged Oil and Gas Properties.

(b) The obligation of the Lenders to make any Advance under the Commitment (other than the initial Advance) shall be subject to the following additional conditions precedent that, at the date of making each such Advance and after giving effect thereto:

(i) Representations and Warranties. The representations and warranties of each Borrower and each Guarantor under this Agreement and the other Loan Documents are true and correct in all material respects as of such date, as if then made (except to the extent that such representations and warranties related solely to an earlier date); and

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

(iii) Legal Matters Satisfactory. All legal matters incident to the consummation of the transactions contemplated hereby shall be reasonably satisfactory to special counsel for Agent retained at the expense of Borrowers.

Each Borrowing Notice shall constitute a representation and warranty by Borrowers that the conditions contained in Sections 11(b)(i) and (ii) have been satisfied.

(c) Notwithstanding anything to the contrary herein, the consummation of the GLEP Acquisition and the Acquired Interests Transfer shall be deemed to have occurred simultaneously with the making of the initial Advance.

12. AFFIRMATIVE COVENANTS. A deviation from the provisions of this Section 12 shall not constitute a Default or an Event of Default under this Agreement if such deviation is expressly consented to in writing by Required Lenders (or to the extent expressly required in this Section 12, Super Majority Lenders) prior to the date of deviation. Each Borrower will at all times comply, and will cause each Guarantor to comply, with the covenants contained in this Section 12 from the date hereof and for so long as the Commitments are in existence or any amount is owed to the Agent or the Lenders under this Agreement or the other Loan Documents.

(a) Financial Statements and Reports. The Company shall promptly furnish to the Agent from time to time upon request such information regarding the business and affairs and financial condition of each Borrower and each Guarantor, as the Agent may reasonably request, and will furnish to the Agent:

(i) Annual Audited Financial Statements. As soon as available, and in any event within ninety (90) days after the close of each

fiscal year, the annual audited consolidated and unaudited consolidating Financial Statements of the Company, prepared in accordance with GAAP accompanied by an unqualified opinion on such consolidated statements rendered by an independent accounting firm reasonably acceptable to the Agent;

(ii) Quarterly Financial Statements. As soon as available, and in any event within forty-five (45) days after the end of each fiscal quarter of each year, the quarterly unaudited, (i) consolidated and consolidating Financial Statements of each Borrower and each Guarantor, and (ii) the unconsolidated quarterly Financial Statements of the Company, all such Financial Statements to be prepared in accordance with GAAP;

(iii) Report on Properties. As soon as available and in any event on or before March 1 and September 1 of each calendar year, and at such other times as any Lender, in accordance with Section 7, may request, the engineering reports required to be furnished to the Agent under such Section 7 on the Oil and Gas Properties;

(iv) Additional Information. Promptly upon request of the Agent from time to time any additional financial information or other information that the Agent may reasonably request.

All such reports, information, balance sheets and Financial Statements referred to in Subsection 12(a) above shall be in such detail as the Agent may reasonably request and shall be prepared in a manner consistent with the Financial Statements.

(b) Certificates of Compliance. Concurrently with the furnishing of the annual audited Financial Statements pursuant to Section 12(a)(i) and the quarterly unaudited Financial Statements pursuant to Section 12(a)(ii) for the months coinciding with the end of each calendar quarter, the Company will furnish or cause to be furnished to the Agent a certificate in the form of Exhibit "D" attached hereto, signed by the President or Chief Financial Officer of the Company, (i) stating that each Borrower and each Guarantor have fulfilled in all material respects their respective obligations under the Notes and the Loan Documents, including this Agreement, and that all representations and warranties made herein and therein continue (except to the extent they relate solely to an earlier date) to be true and correct in all material respects (or specifying the nature of any change), or if a Default has occurred, specifying the Default and the nature and status thereof; (ii) to the extent requested from time to time by the Agent, specifically affirming compliance of each Borrower and each Guarantor in all material respects with any of its representations (except to the extent they relate solely to an earlier date) or obligations under said instruments; (iii) setting forth the computation, in reasonable detail as of the end of each period covered by such certificate, of compliance with Sections 13(b) and

(c); and (iv) containing or accompanied by such financial or other details, information and material as the Agent may reasonably request to evidence such compliance.

(c) Accountants' Certificate. Concurrently with the furnishing of the annual audited Financial Statement pursuant to Section 12(a)(i), the Company will furnish a statement from the firm of independent public accountants which audited such Financial Statement to the effect that nothing has come to their attention to cause them to believe that there existed on the date of such statements any Event of Default.

(d) Taxes and Other Liens. Each Borrower will pay, and will cause each Guarantor to pay, and discharge promptly all taxes, assessments and governmental charges or levies imposed upon such Borrower or such Guarantor, or upon the income or any assets or property of Borrower or any Guarantor, as well as all claims of any kind (including claims for labor, materials, supplies and rent) which, if unpaid, might become a Lien or other encumbrance upon any or all of the assets or property of any Borrower or any Guarantor and which could reasonably be expected to result in a Material Adverse Effect; provided, however, that neither Borrowers nor any Guarantor shall be required to pay any such tax, assessment, charge, levy or claim if the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings diligently conducted, levy and execution thereon have been stayed and continue to be stayed and if Borrower or such Guarantor shall have set up adequate reserves therefor, if required, under GAAP.

(e) Compliance with Laws. Each Borrower will observe and comply, and will cause each Guarantor to observe and comply, in all material respects, with all applicable laws, statutes, codes, acts, ordinances, orders, judgments, decrees, injunctions, rules, regulations, orders and restrictions relating to environmental standards or controls or to energy regulations of all federal, state, county, municipal and other governments, departments, commissions, boards, agencies, courts, authorities, officials and officers, domestic or foreign.

(f) Further Assurances. Each Borrower will cure promptly any defects in the creation and issuance of the Notes and the execution and delivery of the Notes and the Loan Documents, including this Agreement. Each Borrower at its sole expense will, and will cause each Guarantor to, promptly execute and deliver to Agent upon its reasonable request all such other and further documents, agreements and instruments in compliance with or accomplishment of the covenants and agreements in this Agreement, or to correct any omissions in the Notes or more fully to state the obligations set out herein.

(g) Performance of Obligations. Each Borrower will pay the Notes and other obligations incurred by it hereunder according to the reading, tenor and effect thereof and hereof; and each Borrower will do and perform, and will cause each Guarantor to do and perform, every act and discharge all of the obligations provided to be performed and

discharged by any Borrower or any Guarantor under the Loan Documents, including this Agreement, at the time or times and in the manner specified.

(h) Insurance. Each Borrower now maintains and will continue to maintain, and will cause each Guarantor to maintain, insurance with financially sound and reputable insurers with respect to its assets against such liabilities, fires, casualties, risks and contingencies and in such types and amounts as is customary in the case of persons engaged in the same or similar businesses and similarly situated. Upon request of the Agent, Borrowers will furnish or cause to be furnished to the Agent from time to time a summary of the respective insurance coverage of each Borrower and each Guarantor in form and substance reasonably satisfactory to the Agent, and, if requested, will furnish the Agent copies of the applicable policies. Upon demand by Agent any insurance policies covering any such property shall be endorsed (i) to provide that such policies may not be canceled, reduced or affected in any manner for any reason without fifteen (15) days prior notice to Agent, (ii) to provide for insurance against fire, casualty and other hazards normally insured against, in the amount of the full value (less a reasonable deductible not to exceed amounts customary in the industry for similarly situated business and properties) of the property insured, and (iii) to provide for such other matters as the Agent may reasonably require. Each Borrower shall, and shall cause each Guarantor to, at all times maintain adequate insurance with respect to all of its other assets and wells in accordance with prudent business practices.

(i) Accounts and Records. Each Borrower will, and will cause each Guarantor to, keep proper books, records and accounts in which full, true and correct entries will be made of all dealings or transactions in relation to its business and activities, prepared in a manner consistent with prior years, subject to changes suggested by such Borrower's or such Guarantor's auditors.

(j) Right of Inspection. Each Borrower will permit, and will cause each Guarantor to permit, any officer, employee or agent of the Lenders to examine each Borrower's and each Guarantor's books, records and accounts, and take copies and extracts therefrom, all at such reasonable times during normal business hours and as often as the Lenders may reasonably request. The Lenders will use best efforts to keep all Confidential Information (as herein defined) confidential and will not disclose or reveal the Confidential Information or any part thereof other than (i) as required by law, and (ii) to the Lenders', and the Lenders' subsidiaries', Affiliates, officers, employees, legal counsel and regulatory authorities or advisors to whom it is necessary to reveal such information for the purpose of effectuating the agreements and undertakings specified herein or as otherwise required in connection with the enforcement of the Lenders' and the Agent's rights and remedies under the Notes, this Agreement and the other Loan Documents. As used herein, "Confidential Information" means information about any Borrower or any Guarantor furnished by any Borrower or any Guarantor to the Lenders, but does not include information (i) which was publicly known, or otherwise known to

the Lenders, at the time of the disclosure, (ii) which subsequently becomes publicly known through no act or omission by the Lenders, or (iii) which otherwise becomes known to the Lenders, other than through disclosure by a Borrower or a Guarantor.

(k) Notice of Certain Events. Each Borrower shall promptly notify the Agent if such Borrower learns of the occurrence of (i) any event which constitutes a Default or Event of Default together with a detailed statement by such Borrower of the steps being taken to cure such Default or Event of Default; (ii) any legal, judicial or regulatory proceedings affecting any Borrower or any of the assets or properties of any Borrower or any Guarantor which, if adversely determined, could reasonably be expected to have a Material Adverse Effect; (iii) any dispute between any Borrower or any Guarantor and any governmental or regulatory body or any other Person or entity which, if adversely determined, would reasonably be expected to cause a Material Adverse Effect; (iv) any other matter which in any Borrower's reasonable opinion could have a Material Adverse Effect.

(l) ERISA Information and Compliance. Each Borrower will, and will cause each Guarantor to, promptly furnish to the Agent upon becoming aware of the occurrence of any "reportable event", as such term is defined in Section 4043 of ERISA, or of any "prohibited transaction", as such term is defined in Section 4975 of the Internal Revenue Code of 1954, as amended, in connection with any Plan or any trust created thereunder, a written notice signed by the chief financial officer of any Borrower or any Guarantor specifying the nature thereof, what action such party is taking or proposes to take with respect thereto, and, when known, any action taken by the Internal Revenue Service with respect thereto.

(m) Environmental Reports and Notices. Each Borrower will, and will cause each Guarantor to, deliver to the Agent (i) promptly upon its becoming available, one copy of each report (other than routine informational filings) sent by any Borrower or any Guarantor to any court, governmental agency or instrumentality pursuant to any Environmental Law, (ii) notice, in writing, promptly upon any Borrower's or any Guarantor's receipt of notice or otherwise learning of any claim, demand, action, event, condition, report or investigation indicating any potential or actual liability arising in connection with (x) the non-compliance with or violation of the requirements of any Environmental Law which reasonably could be expected to have a Material Adverse Effect; (y) the release or threatened release of any hazardous substance, toxic or hazardous waste into the environment which reasonably could be expected to have a Material Adverse Effect or which release any Borrower or any Guarantor would have a duty to report to any court or government agency or instrumentality, or (iii) the existence of any Environmental Lien on any properties or assets of any Borrower or any Guarantor and such Borrower or such Guarantor shall promptly deliver a copy of any such notice to Agent.

(n) Compliance and Maintenance. Each Borrower will, and will cause each Guarantor to, (i) observe and comply in all material respects with all Environmental Laws; (ii) except as provided in Subsections 12(o) and 12(p) below, maintain the Oil and Gas Properties and other assets and properties in good and workable condition at all times and make all repairs, replacements, additions, betterments and improvements to the Oil and Gas Properties and other assets and properties as are needed and proper so that the business carried on in connection therewith may be conducted properly and efficiently at all times in the opinion of any Borrower, or any Guarantor, exercised in good faith; (iii) take or cause to be taken whatever actions are necessary or desirable to prevent an event or condition of default by any Borrower or any Guarantor under the provisions of any gas purchase or sales contract or any other contract, agreement or lease comprising a part of the Oil and Gas Properties or other collateral security hereunder which default could reasonably be expected to result in a Material Adverse Effect; and (iv) furnish Agent upon request evidence reasonably satisfactory to Agent that there are no Liens, claims or encumbrances on the Oil and Gas Properties, except Permitted Liens.

(o) Operation of Properties. Except as provided in Subsections 12(p) and (q) below, each Borrower will, and will cause each Guarantor to, operate, or use reasonable efforts to cause to be operated, all Oil and Gas Properties in a careful and efficient manner in accordance with the practice of the industry and in compliance in all material respects with all applicable laws, rules, and regulations, and in compliance in all material respects with all applicable proration and conservation laws of the jurisdiction in which the properties are situated, and all applicable laws, rules, and regulations, of every other agency and authority from time to time constituted to regulate the development and operation of the properties and the production and sale of hydrocarbons and other minerals therefrom; provided, however, that any such Borrower or any such Guarantor shall have the right to contest in good faith by appropriate proceedings, the applicability or lawfulness of any such law, rule or regulation and pending such contest may defer compliance therewith, as long as such deferment shall not subject the properties or any part thereof to foreclosure or loss.

(p) Compliance with Leases and Other Instruments. Each Borrower will, and will cause each Guarantor to, pay or cause to be paid and discharge all rentals, delay rentals, royalties, production payment, and indebtedness required to be paid by such party (or required to keep unimpaired in all material respects the rights of such party in Oil and Gas Properties) accruing under, and perform or cause to be performed in all material respects each and every act, matter, or thing required of such party by each and all of the assignments, deeds, leases, subleases, contracts, and agreements in any way relating to such party or any of the Oil and Gas Properties and do all other things necessary of such party to keep unimpaired in all material respects the rights of such party thereunder and to prevent the forfeiture thereof or default thereunder; provided, however, that nothing in this Agreement shall be deemed to require any Borrower or any Guarantor to perpetuate or renew any oil and gas lease or other lease by payment of rental or delay rental or by

commencement or continuation of operations nor to prevent any Borrower or any Guarantor from abandoning or releasing any oil and gas lease or other lease or well thereon when, in any of such events, in the opinion of the affected Borrower or Guarantor exercised in good faith, it is not in the best interest of such Borrower or such Guarantor to perpetuate the same.

(q) Certain Additional Assurances Regarding Maintenance and Operations of Properties. With respect to those Oil and Gas Properties which are being operated by operators other than a Borrower or a Guarantor, neither Borrowers nor any Guarantor shall be obligated to perform any undertakings contemplated by the covenants and agreement contained in Sections 12(o) or 12(p) which are performable only by such operators and are beyond the control of such Borrower or such Guarantor; however, each Borrower agrees to promptly take, or cause to be taken, all reasonable actions available under any operating agreements or otherwise to bring about the performance of any such material undertakings required to be performed thereunder.

(r) Sale of Certain Assets/Prepayment of Proceeds. Each Borrower will immediately pay over to the Agent for the ratable benefit of the Lenders as a prepayment of principal on the Notes and a reduction of the Commitments, an amount equal to 100% of the "Release Price" from the sale of Oil and Gas Properties by any Borrower or any Guarantor in excess of $25,000,000 in the aggregate received from such sales between Borrowing Base redeterminations, which sale has been either (i) made in compliance with the provisions of Section 13(a)(ii), or (ii) approved in advance by Super Majority Lenders. Provided, however, that in lieu of making any such payment Borrowers may elect to provide, or cause to be provided by a Guarantor, additional Oil and Gas Properties with value and quality satisfactory to all Lenders in their discretion in substitution for the Oil and Gas Properties sold pursuant to the provisions of this Section 12(r). The term "Release Price" means the price determined by the Super Majority Lenders in their discretion based on the loan value of the Oil and Gas Properties being sold by a Borrower or a Guarantor that the Super Majority Lenders in their discretion (using such methodology, assumptions and discount rates as such Lenders customarily use in assigning loan value to oil and gas properties) assigned to such Oil and Gas Properties as of the date of such determination by the Lenders. Any such prepayment of principal on the Notes required by this Section 12(r), shall not be in lieu of, but shall be in addition to, any mandatory prepayment of principal required to be paid pursuant to Section 9(b).

(s) Title Matters. Within sixty (60) days after the Effective Date with respect to the Oil and Gas Properties listed on Schedule "7" hereto, each Borrower shall, or shall cause a Guarantor to, furnish Agent with title information reasonably satisfactory to Agent showing good and defensible title of such Borrower or such Guarantor to such Oil and Gas Properties subject only to the Permitted Liens. As to any Oil and Gas Properties hereafter mortgaged to Agent, Borrowers will promptly (but in no event more than sixty

(60) days following such mortgaging), furnish, or cause to be furnished, if requested, Agent with title information reasonably satisfactory to Agent showing good and defensible title of such Borrower or such Guarantor to such Oil and Gas Properties subject only to Permitted Liens.

(t) Curative Matters. Within sixty (60) days after the Effective Date with respect to matters listed on Schedule "8" and, thereafter, within sixty (60) days after receipt by Borrowers from Agent or its counsel of written notice of title defects the Agent reasonably requires to be cured, each Borrower shall, or shall cause a Guarantor to, either (i) provide such curative information, in form and substance satisfactory to Agent, or (ii) substitute Oil and Gas Properties of value and quality satisfactory to the Agent for all of Oil and Gas Properties for which such title curative was requested but upon which a Borrower or a Guarantor elected not to provide such title curative information, and, within sixty (60) days of such substitution, provide title information satisfactory to the Agent covering the Oil and Gas Properties so substituted. If Borrowers fail to satisfy (i) or (ii) above within the time specified, the loan collateral value assigned by the Lenders to the Oil and Gas Properties for which such curative information was requested shall be deducted from the Borrowing Base resulting in a reduction thereof.

(u) Change of Principal Place of Business. Each Borrower shall, and shall cause each Guarantor to, give Agent at least thirty (30) days prior written notice of its intention to move its principal place of business from the address set forth in Section 17.

(v) Additional Collateral. Borrowers agree to regularly monitor engineering data covering all producing oil and gas properties and interests owned or acquired by Borrowers and the Guarantors on or after the date hereof and to mortgage or cause to be mortgaged such of the same to Agent for the ratable benefit of the Lenders in substantially the form of the Security Instruments, as applicable, to the extent that the Lenders shall at all times during the existence of the Commitment be secured by perfected Liens and security interests covering not less than eighty percent (80%) of the Engineered Value of all producing Oil and Gas Properties of Borrowers and the Guarantors, taken as a whole. In addition, Borrowers agree that in connection with the mortgaging of such additional Oil and Gas Properties, they shall within a reasonable time thereafter, deliver or cause to be delivered to the Agent such mortgage and title opinions and other title information with respect to the title and Lien status of such Oil and Gas Properties as may be necessary to maintain at all times a level of such title information (showing good and defensible title) of not less than (i) eighty percent (80%) of the Engineered Value of all Oil and Gas Properties mortgaged to the Agent for the ratable benefit of the Lenders by the Company and the Guarantors, taken as a whole, and (ii) thirty percent (30%) of the Engineered Value of all Oil and Gas Properties mortgaged to the Agent for the ratable benefit of the Lenders by GLEP. In order to assist Borrowers in monitoring its mortgage coverage, Agent agrees to notify Borrowers if the Lenders determine that the coverage required by this paragraph ever falls below 80%. Failure of

the Agent to notify Borrowers of any such deficiency shall in no way affect Borrowers' obligations under this Section 12(v) to monitor and pledge, or cause to be pledged, additional Oil and Gas Properties from time to time. Upon receipt of any such notice from the Agent, Borrowers shall, within thirty (30) days of receipt of such notice, execute and deliver, or cause to be executed and delivered, Security Instruments in form and substance satisfactory to the Agent covering sufficient additional Oil and Gas Properties to bring the coverage to at least 80%.

13. NEGATIVE COVENANTS. A deviation from the provisions of this Section 13 shall not constitute an Event of Default under this Agreement if such deviation is consented to in writing by Required Lenders (or to the extent expressly required in this Section 13, Super Majority Lenders) prior to the date of deviation. Each Borrower will at all times comply with the covenants contained in this Section 13 from the date hereof and for so long as the Commitment is in existence or any amount is owed to the Agent or the Lenders under this Agreement or the other Loan Documents.

(a) Liens and Asset Sales. Borrowers shall not, nor shall they permit any Guarantor to:

(i) create, incur, assume or permit to exist any Lien, security interest or other encumbrance on any of its assets or properties except Permitted Liens; or

(ii) sell, lease, transfer or otherwise dispose of, in any fiscal year, any of its assets including any Capital Stock owned by it except for (A) sales, leases, transfers or other dispositions made in the ordinary course of such Borrower's or such Guarantor's oil and gas businesses, (B) sales, leases, transfers or other dispositions of Oil and Gas Properties which do not exceed $25,000,000 in the aggregate between Borrowing Base redeterminations; (C) transfers or other dispositions of Oil and Gas Properties to Marbel upon the exercise of its Deep Participation Rights and (C) other sales, leases, transfers or other dispositions made with the consent of Super Majority Lenders.

(b) Current Ratio. The Company shall not allow its Current Ratio to be less than 1.0 to 1.0 as of the last day of any fiscal quarter beginning with the fiscal quarter ending June 30, 2004.

(c) Funded Debt Leverage Ratio. The Company will not allow its ratio of Funded Debt to EBITDA to be greater than 4.0 to 1.0 as of the last day of any fiscal quarter beginning with the fiscal quarter ending June 30, 2004.

(d) Consolidations and Mergers. Borrowers shall not, nor shall they permit any Guarantor to, consolidate or merge with or into any other Person, except that any

Borrower or any Guarantor may merge with another Person if such Borrower (or the Company if the Company is a party to such merger) or such Guarantor is the surviving entity in such merger or if, after giving effect thereto, no Default or Event of Default shall have occurred and be continuing.

(e) Debts, Guaranties and Other Obligations. Borrowers shall not, nor shall they permit their Subsidiaries to, incur, create, assume or in any manner become or be liable in respect of any indebtedness, and Borrowers shall not, nor shall they permit their Subsidiaries to, guarantee or otherwise in any manner become or be liable in respect of any Debt, except that the foregoing restrictions shall not apply to:

(i) the Notes and Letters of Credit, and any renewal, extension, reissuance, increase or other modification thereof; or

(ii) taxes, assessments or other government charges which are not yet due or are being contested in good faith by appropriate action promptly initiated and diligently conducted, if such reserve as shall be required by GAAP shall have been made therefor and levy and execution thereon have been stayed and continue to be stayed; or

(iii) Debt of any Borrower to any other Borrower, or of any Guarantor to any Borrower or any other Guarantor; provided, that if the Company is the obligor on any such Debt such Debt is expressly subordinate to the payment in full of the Obligations; or

(iv) obligations under Rate Management Transactions permitted pursuant to Section 13(k); or

(v) Debt under Capital Leases not to exceed $10,000,000 in the aggregate at any time outstanding; or

(vi) the Convertible Subordinated Debentures; provided, that the aggregate principal amount of such Debt does not exceed $9,000,000 at any time; or

(vii) the Senior Subordinated Notes; provided, that the aggregate principal amount of such Debt does not exceed $200,000,000 at any time; or

(viii) other Debt of any nature not otherwise permitted under the foregoing clauses (i) through (vii) that does not, in the aggregate, exceed $10,000,000 in outstanding principal amount at any time; or

(ix) Contingent Obligations incurred in the ordinary course of business (1) as a non-operator under oil and gas operating agreements, (2) under standard and customary provisions of gas sale contracts for make-up volumes on sales of natural gas and natural gas liquids from gas processing plants, and (3) under Advance Payment Contracts to the extent permitted under Section 13(o); or

(x) any renewals or extensions of (but, other than in the case of the Notes, not increases in) any of the foregoing.

(f) Restricted Payments. Borrowers shall not, nor shall they permit any of their Subsidiaries to, declare or pay any cash dividend, or distribution (whether in cash, securities or other property) purchase, redeem or otherwise acquire for value any of its Capital Stock now or hereafter outstanding, return any capital to its stockholders or make any distribution of its assets to its stockholders or purchase, redeem, defease, prepay or otherwise acquire for value any Junior Securities now or hereafter outstanding, except that the foregoing shall not apply to:

(i) subject to the inclusion of any dividend or interest payment permitted by this Subsection 13(f)(i) in the basket provided in subsection (ii) below, Cash Dividends on the Convertible Preferred Stock if, and only if, immediately before and after giving effect to such payment of dividends or interest no Default or Event of Default shall exist;

(ii) total distributions, Common Stock Cash Dividends, purchases and payments (including purchases or redemptions of Junior Securities) in aggregate amounts of up to $20,000,000 plus (a) 50% of cumulative Net Income after December 31, 2001 (which Net Income shall exclude any non-cash gains or losses associated with the application of FASB 121 or 133) plus (b) 66-2/3% of net cash proceeds from the issuance of the Company's common stock at any time after December 31, 2001; provided, however, that immediately before and after giving effect to any such distribution, dividend, purchase or payment no Default or Event of Default shall exist;

(iii) dividends or distributions payable by the Company in Capital Stock of the Company or warrants, options or other rights to acquire Capital Stock of the Company but excluding any debt security which is convertible into, or exchangeable or exercisable for shares of capital stock of any Borrower or Disqualified Stock of any Borrower; or

(iv) dividends and distributions by any Subsidiary of any Borrower to its direct parent.

(g) Loans, Advances and Investments. Borrowers shall not make or permit to remain outstanding, nor shall they permit any Guarantor to make or permit to remain outstanding, any loans or advances to, or investments in, any Person or entity, except that the foregoing restriction shall not apply to:

(i) loans or advances to any Person, the material details of which have been set forth in the Financial Statements of the Company furnished to Lenders prior to the Effective Date; or

(ii) loans or advances to a Guarantor; or

(iii) other loans, advances or investments up to $5,000,000 in the aggregate;

(iv) loans or advances by the Company to REFC, provided that the aggregate outstanding principal balance of all such loans and advances does not exceed at any time $10,000,000.

(h) Receivables and Payables. Borrowers shall not, nor shall they permit any Guarantor to, discount or sell with recourse, or sell for less than the market value thereof, any of its notes receivable or accounts receivable.

(i) Nature of Business. Borrowers shall not, nor shall they permit any Guarantor to, permit any material change to be made in the character of its businesses as carried on at the date hereof.

(j) Transactions with Affiliates. Borrowers shall not, nor shall they permit any Guarantor to, enter into any transaction with any Affiliate, except transactions upon terms that are no less favorable to it than would be obtained in a transaction negotiated at arm's length with an unrelated third party.

(k) Rate Management Transactions. Borrowers shall not, nor shall they permit any Guarantor to, enter into any Rate Management Transactions, except the foregoing prohibitions shall not apply to (x) transactions consented to in writing by the Required Lenders which are on terms acceptable to the Required Lenders, or (y) Pre-Approved Contracts. Once any Borrower or any Guarantor enters into a Rate Management Transaction, the terms and conditions of such Rate Management Transaction may not be materially amended or modified, nor may such Rate Management Transaction be cancelled without the applicable Borrower or Guarantor having given the Agent written notice of such amendment, modification or cancellation on the date not later than three (3) Business Days after the date such action takes place. Borrowers further agree to give the Agent written notice of any bankruptcy, insolvency or similar proceeding commenced by or against any counterparty to any agreement entered into any such Rate Management Transaction.

(l) Amendment to Articles of Incorporation or Bylaws. Borrowers shall not, nor shall they permit any Guarantor to, permit any material amendment to, or any alteration of, its Organizational Documents.

(m) Issuance of Preferred Stock. Except for the Convertible Preferred Stock or as otherwise permitted with the prior written consent of the Required Lenders, the Company shall not issue any Disqualified Stock after the Effective Date.

(n) Payment or Prepayment of Other Debt. Except for purchase or redemptions of Junior Securities and payments permitted pursuant to Section 13(f), Borrowers shall not make any interest or principal payment, redeem any Debt (other than Debt owed the Lenders hereunder), or redeem any Capital Stock of the Company if immediately before and after giving effect to any payment, purchase or redemption a Default or Event of Default shall exist or shall result from such payment, purchase or redemption.

(o) Sale and Leaseback Transactions and other Off-Balance Sheet Liabilities. No Borrower will, nor will any Borrower permit any Guarantor to, enter into or suffer to exist any Sale and Leaseback Transaction or any other transaction pursuant to which it incurs or has incurred Off-Balance Sheet Liabilities, except that the foregoing restrictions shall not apply to:

(i) Rate Management Transactions permitted under the terms of Section 13(k);

(ii) With respect to Advance Payments received from various customers in connection with any Borrowers' or any Guarantors' credit management of such customers; provided that the aggregate amount of all such Advance Payments received by the Borrowers and Guarantors, taken as a whole that have not been satisfied by delivery of production at any time does not exceed, in the aggregate, $10,000,000; and

(iii) Advance Payment Contracts not otherwise permitted under clause (ii) above; provided, that the aggregate amount of all Advance Payments received by the Borrowers and Guarantors, taken as a whole that have not been satisfied by delivery of production at any time does not exceed, in the aggregate, $5,000,000.

(p) Modifications to the Junior Securities. Until all of the Obligations under the Notes, this Agreement, the other Loan Documents and the Rate Management Transactions have been paid in full in cash and all Commitments have terminated, neither the Company nor any of its Subsidiaries will, without the prior written consent of Agent and the Required Lenders, agree to any amendment, modification or supplement to any of the Junior Securities or any indenture, agreement, document or instrument evidencing or

relating to the Junior Securities the effect of which is to (a) increase the maximum principal amount of the Junior Securities or the rate of interest on any of the Junior Securities (other than as a result of the imposition of a default rate of interest in accordance with the terms of the Junior Securities), (b) change or add any event of default or any covenant with respect to the Junior Securities if the effect of such change or addition is to cause any one or more of the Junior Securities to be more restrictive on the Company or any of its Subsidiaries than such Junior Securities were prior to such change or addition, (c) change the dates upon which payments of principal or interest on the Junior Securities are due, if the effect of such change is to cause any such payments to be due earlier or more frequently than such payments are due as of the date hereof, (d) change any redemption or prepayment provisions of the Junior Securities if the effect of such change is to require any such redemption or prepayment to be made prior to the dates required as of the date hereof, (e) alter the subordination provisions, if any, with respect to any of the Junior Securities, or (f) grant any Liens in any assets of the Company or any of its Subsidiaries.

14. EVENTS OF DEFAULT. Any one or more of the following events shall be considered an "Event of Default" as that term is used herein:

(a) Borrowers shall fail to pay when due or declared due the principal of, and the interest on, the Notes or any fee or any other Obligations of Borrowers secured pursuant to this Agreement or any of the other Loan Documents other than Rate Management Obligations; or

(b) Any representation or warranty made by Borrowers under this Agreement, or in any certificate or statement furnished or made to the Lenders pursuant hereto, or in connection herewith, or in connection with any document furnished hereunder, shall prove to be untrue in any material respect as of the date on which such representation or warranty is made (or deemed made), or any representation, statement (including financial statements), certificate, report or other data furnished or to be furnished or made by any Borrower or any Guarantor under any Loan Document, including this Agreement, proves to have been untrue in any material respect, as of the date as of which the facts therein set forth were stated or certified; or

(c) Default shall be made in the due observance or performance of any of the covenants or agreements of Borrowers or any Guarantor contained in the Loan Documents, including this Agreement (excluding covenants contained in Section 13 of the Agreement for which there is no cure period), and such default shall continue for more than thirty (30) days after written notice from Agent is received by Borrowers; or

(d) Default shall be made in the due observance or performance of the covenants of Borrowers contained in Section 13 of this Agreement; or

(e) Default shall be made in respect of any obligation for borrowed money other than the Notes, for which any Borrower is liable (directly, by assumption, as guarantor or otherwise), or any obligations secured by any mortgage, pledge or other consensual security interest with respect thereto, on any asset or property of any Borrower or in respect of any agreement relating to any such obligations, and if such default shall continue beyond the applicable grace period, if any; or

(f) Any Borrower or any Guarantor shall commence a voluntary case or other proceeding seeking liquidation, reorganization or other relief with respect to itself or its debts under any bankruptcy, insolvency or other similar law now or hereafter in effect or seeking an appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, or shall consent to any such relief or to the appointment of or taking possession by any such official in an involuntary case or other proceeding commenced against it, or shall make a general assignment for the benefit of creditors, or shall fail generally to pay its debts as they become due, or shall take any corporate action authorizing the foregoing; or

(g) An involuntary case or other proceeding, shall be commenced against any Borrower or any Guarantor seeking liquidation, reorganization or other relief with respect to it or its debts under any bankruptcy, insolvency or similar law now or hereafter in effect or seeking the appointment of a trustee, receiver, liquidator, custodian or other similar official of it or any substantial part of its property, and such involuntary case or other proceeding shall remain undismissed and unstayed for a period of sixty (60) days; or an order for relief shall be entered against any Borrower or any Guarantor under the federal bankruptcy laws as now or hereinafter in effect;

(h) A final judgment or order for the payment of money in excess of $1,000,000 (or judgments or orders aggregating in excess of $1,000,000) shall be rendered against any Borrower or any Guarantor and such judgments or orders shall continue unsatisfied and unstayed for a period of thirty (30) days; or

(i) In the event the Total Outstandings shall at any time exceed the Borrowing Base established for the Notes, and Borrowers shall fail to comply with the provisions of Section 9(b); or

(j) An Event of Default (as defined therein) shall occur as a result of action of Borrowers under any agreement entered into in connection with any Rate Management Transaction;

(k) The Liens securing the Loans cease to be in place and/or effective; or

(l) A Change of Control shall occur.

Upon occurrence of any Event of Default specified in Subsections 14(f) and (g), the entire principal amount due under the Notes and all interest then accrued thereon, and any other liabilities of Borrowers hereunder, shall become automatically and immediately due and payable all without notice and without presentment, demand, protest, notice of protest or dishonor or any other notice of default of any kind, all of which are hereby expressly waived by Borrowers. Upon the occurrence of any other Event of Default, the Agent, upon request of Required Lenders, shall by written notice to Borrowers declare the principal of, and all interest then accrued on, the Notes and any other liabilities hereunder to be forthwith due and payable, whereupon the same shall forthwith become due and payable without presentment, demand, protest, notice of intent to accelerate, notice of acceleration or other notice of any kind, all of which Borrowers hereby expressly waive, anything contained herein or in the Note to the contrary notwithstanding.

Upon the occurrence and during the continuance of any Event of Default, the Lenders are hereby authorized at any time and from time to time, without notice to Borrowers or any Guarantor (any such notice being expressly waived by Borrowers and the Guarantors), to set-off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by any of the Lenders to or for the credit or the account of Borrowers or any Guarantor against any and all of the Obligations of Borrowers under the Notes and the other Loan Documents, including this Agreement, irrespective of whether or not the Lenders shall have made any demand under the Loan Documents, including this Agreement or the Notes and although any such Obligations may be unmatured. Any amount set-off by any of the Lenders shall be applied against the Obligations owed the Lenders by Borrowers pursuant to this Agreement, the Notes and the other Loan Documents. The Lenders agree promptly to notify Borrowers and the affected Guarantor after any such setoff and application, provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender under this Section are in addition to other rights and remedies (including, without limitation, other rights of set-off) which the Lenders may have.

15. THE AGENT AND THE LENDERS.

(a) Appointment and Authorization. Each Lender hereby appoints Agent as its nominee and agent, in its name and on its behalf: (i) to act as nominee for and on behalf of such Lender in and under all Loan Documents; (ii) to arrange the means whereby the funds of Lenders are to be made available to Borrowers under the Loan Documents; (iii) to take such action as may be requested by any Lender under the Loan Documents (when such Lender is entitled to make such request under the Loan Documents); (iv) to receive all documents and items to be furnished to Lenders under the Loan Documents; (v) to be the secured party, mortgagee, beneficiary, and similar party in respect of, and to receive, as the case may be, any collateral for the benefit of Lenders; (vi) to promptly distribute to each Lender all material information, requests, documents and items received from Borrower under the Loan Documents; (vii) to promptly distribute to each Lender such Lender's Pro Rata Part of each payment or prepayment

(whether voluntary, as proceeds of insurance thereon, or otherwise) in accordance with the terms of the Loan Documents and (viii) to deliver to the appropriate Persons requests, demands, approvals and consents received from Lenders. Each Lender hereby authorizes Agent to take all actions and to exercise such powers under the Loan Documents as are specifically delegated to Agent by the terms hereof or thereof, together with all other powers reasonably incidental thereto. With respect to its Commitment hereunder and the Notes issued to it, Agent and any successor Agent shall have the same rights under the Loan Documents as any other Lender and may exercise the same as though it were not the Agent; and the term "Lender" or "Lenders" shall, unless otherwise expressly indicated, include Agent and any successor Agent in its capacity as a Lender. Agent and any successor Agent and its Affiliates may accept deposits from, lend money to, act as trustee under indentures of and generally engage in any kind of business with Borrowers, and any Person which may do business with Borrowers, all as if Agent and any successor Agent was not Agent hereunder and without any duty to account therefor to the Lenders; provided that, if any payments in respect of any property (or the proceeds thereof) now or hereafter in the possession or control of Agent which may be or become security for the obligations of Borrowers arising under the Loan Documents by reason of the general description of indebtedness secured or of property contained in any other agreements, documents or instruments related to any such other business shall be applied to reduction of the obligations of Borrowers arising under the Loan Documents, then each Lender shall be entitled to share in such application according to its pro rata part thereof. Each Lender, upon request of any other Lender, shall disclose to all other Lenders all indebtedness and liabilities, direct and contingent, of Borrowers to such Lender as of the time of such request.

(b) Note Holders. From time to time as other Lenders become a party to this Agreement, Agent shall obtain execution by Borrowers of additional Notes in amounts representing the Commitments of each such new Lender, up to an aggregate face amount of all Notes not exceeding $600,000,000. The obligation of such Lender shall be governed by the provisions of this Agreement, including but not limited to, the obligations specified in Section 2. From time to time, Agent may require that the Lenders exchange their Notes for newly issued Notes to better reflect the Commitments of the Lenders. Agent may treat the payee of any Note as the holder thereof until written notice of transfer has been filed with it, signed by such payee and in form satisfactory to Agent.

(c) Consultation with Counsel. Lenders agree that Agent may consult with legal counsel selected by Agent and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel. LENDERS ACKNOWLEDGE THAT GARDERE WYNNE SEWELL LLP IS COUNSEL FOR BANK ONE, BOTH AS AGENT AND AS A LENDER, AND THAT SUCH FIRM DOES NOT REPRESENT ANY OF THE OTHER LENDERS IN CONNECTION WITH THIS TRANSACTION.

(d) Documents. Agent shall not be under a duty to examine or pass upon the validity, effectiveness, enforceability, genuineness or value of any of the Loan Documents or any other instrument or document furnished pursuant thereto or in connection therewith, and Agent shall be entitled to assume that the same are valid, effective, enforceable and genuine and what they purport to be.

(e) Resignation or Removal of Agent. Subject to the appointment and acceptance of a successor Agent as provided below, Agent may resign at any time by giving written notice thereof to Lenders and Borrowers, and Agent may be removed at any time with or without cause by Required Lenders (excluding the Agent). If no successor Agent has been so appointed by Required Lenders (and approved by Borrowers) and has accepted such appointment within thirty (30) days after the retiring Agent's giving of notice of resignation or removal of the retiring Agent, then the retiring Agent may, on behalf of Lenders, appoint a successor Agent. Any successor Agent must be approved by Borrowers, which approval will not be unreasonably withheld. Upon the acceptance of any appointment as Agent hereunder by a successor Agent, such successor Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring Agent, and the retiring Agent, as the case may be, shall be discharged from its duties and obligations hereunder. After any retiring Agent's resignation or removal hereunder as Agent, the provisions of this Section 15 shall continue in effect for its benefit in respect to any actions taken or omitted to be taken by it while it was acting as Agent. To be eligible to be an Agent hereunder the party serving, or to serve, in such capacity must own a Pro Rata Part of the Commitments equal to the level of Commitment required to be held by any Lender pursuant to Section 29.

(f) Responsibility of Agent. It is expressly understood and agreed that the obligations of Agent under the Loan Documents are only those expressly set forth in the Loan Documents as to each and that Agent, shall be entitled to assume that no Default or Event of Default has occurred and is continuing, unless Agent has actual knowledge of such fact or has received notice from a Lender or Borrowers that such Lender or Borrowers consider that a Default or an Event of Default has occurred and is continuing and specifying the nature thereof. Neither Agent nor any of its directors, officers, attorneys or employees shall be liable for any action taken or omitted to be taken by them under or in connection with the Loan Documents, except for its or their own gross negligence or willful misconduct. Agent shall not incur liability under or in respect of any of the Loan Documents by acting upon any notice, consent, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything which it may do or refrain from doing in the reasonable exercise of its judgment, or which may seem to it to be necessary or desirable. The Syndication Agents, the Documentation Agents and the Arranger shall have no responsibilities as an agent hereunder.

Agent shall not be responsible to Lenders for any of Borrowers' recitals, statements, representations or warranties contained in any of the Loan Documents, or in any certificate or other document referred to or provided for in, or received by any Lender under, the Loan Documents, or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of or any of the Loan Documents or for any failure by Borrowers to perform any of their obligations hereunder or thereunder. Agent may employ agents and attorneys-in-fact and shall not be answerable, except as to money or securities received by it or its authorized agents, for the negligence or misconduct of any such agents or attorneys-in-fact selected by it with reasonable care.

The relationship between Agent and each Lender is only that of agent and principal and has no fiduciary aspects. Nothing in the Loan Documents or elsewhere shall be construed to impose on Agent any duties or responsibilities other than those for which express provision is therein made. In performing its duties and functions hereunder, Agent does not assume and shall not be deemed to have assumed, and hereby expressly disclaims, any obligation or responsibility toward or any relationship of agency or trust with or for Borrowers or any of their beneficiaries or other creditors. As to any matters not expressly provided for by the Loan Documents, Agent shall not be required to exercise any discretion or take any action, but shall be required to act or to refrain from acting (and shall be fully protected in so acting or refraining from acting) upon the instructions of all Lenders and such instructions shall be binding upon all Lenders and all holders of the Notes; provided, however, that Agent shall not be required to take any action which is contrary to the Loan Documents or applicable law.

Agent shall have the right to exercise or refrain from exercising, without notice or liability to the Lenders, any and all rights afforded to Agent by the Loan Documents or which Agent may have as a matter of law; provided, however, Agent shall not (i) except as provided herein and in Section 7(b), without the consent of Super Majority Lenders designate the amount of the Borrowing Base, or approve the sale, release or substitution of Collateral other than the sale of Collateral permitted pursuant to Section 13(a)(ii), or (ii) without the consent of Required Lenders, take any other action with regard to amending the Loan Documents, waiving any default under the Loan Documents, or taking any other action with respect to the Loan Documents. Agent shall not have liability to Lenders for failure or delay in exercising any right or power possessed by Agent pursuant to the Loan Documents or otherwise unless such failure or delay is caused by the gross negligence of the Agent, in which case only the Agent responsible for such gross negligence shall have liability therefor to the Lenders.

(g) Independent Investigation. Each Lender severally represents and warrants to Agent that it has made its own independent investigation and assessment of the financial condition and affairs of Borrowers in connection with the making and continuation of its participation hereunder and has not relied exclusively on any information provided to such Lender by Agent in connection herewith, and each Lender

represents, warrants and undertakes to Agent that it shall continue to make its own independent appraisal of the credit worthiness of Borrowers while the Notes are outstanding or its commitments hereunder are in force. Agent shall not be required to keep itself informed as to the performance or observance by Borrowers of this Agreement or any other document referred to or provided for herein or to inspect the properties or books of Borrowers. Other than as provided in this Agreement, Agent shall not have any duty, responsibility or liability to provide any Lender with any credit or other information concerning the affairs, financial condition or business of Borrowers which may come into the possession of Agent.

(h) Indemnification. Lenders agree to indemnify Agent, ratably according to their respective Commitments on a Pro Rata basis, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any proper and reasonable kind or nature whatsoever which may be imposed on, incurred by or asserted against Agent in any way relating to or arising out of the Loan Documents or any action taken or omitted by Agent under the Loan Documents, provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from Agent's gross negligence or willful misconduct. Each Lender shall be entitled to be reimbursed by Agent for any amount such Lender paid to Agent under this Section 15(h) to the extent Agent has been reimbursed for such payments by Borrowers or any other Person. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT THE AGENT FROM THE CONSEQUENCES OF ANY LIABILITY INCLUDING STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON AGENT AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING OR CONCURRING CAUSE OF ANY SUCH LIABILITY.

(i) Benefit of Section 15. The agreements contained in this Section 15 are solely for the benefit of Agent and the Lenders and are not for the benefit of, or to be relied upon by, Borrowers, any affiliate of Borrowers or any other Person.

(j) Pro Rata Treatment. Subject to the provisions of this Agreement, each payment (including each prepayment) by Borrowers and each collection by Lenders (including offsets) on account of the principal of and interest on the Notes and fees provided for in this Agreement, that are payable by Borrowers, shall be made Pro Rata; provided, however, in the event that any Defaulting Lender shall have failed to make an Advance as contemplated under Section 2 and Agent or another Lender or Lenders shall have made such Advance, payment received by Agent for the account of such Defaulting Lender or Lenders shall not be distributed to such Defaulting Lender or Lenders until

such Advance or Advances shall have been repaid in full to the Lender or Lenders who funded such Advance or Advances.

(k) Assumption as to Payments. Except as specifically provided herein, unless Agent shall have received notice from Borrowers prior to the date on which any payment is due to Lenders hereunder that Borrowers will not make such payment in full, Agent may, but shall not be required to, assume that Borrowers have made such payment in full to Agent on such date and Agent may, in reliance upon such assumption, cause to be distributed to each Lender on such due date an amount equal to the amount then due such Lender. If and to the extent Borrowers shall not have so made such payment in full to Agent, each Lender shall repay to Agent forthwith on demand such amount distributed to such Lender together with interest thereon, for each day from the date such amount is distributed to such Lender until the date such Lender repays such amount to Agent, at the interest rate applicable to such portion of the Loan.

(l) Other Financings. Without limiting the rights to which any Lender otherwise is or may become entitled, such Lender shall have no interest, by virtue of this Agreement or the Loan Documents, in (a) any present or future loans from, letters of credit issued by, or leasing or other financial transactions by, any other Lender to, on behalf of, or with Borrowers (collectively referred to herein as "Other Financings") other than the obligations hereunder; (b) any present or future guarantees by or for the account of Borrowers which are not contemplated by the Loan Documents; (c) any present or future property taken as security for any such Other Financings; or (d) any property now or hereafter in the possession or control of any other Lender which may be or become security for the obligations of Borrowers arising under any Loan Document by reason of the general description of indebtedness secured or property contained in any other agreements, documents or instruments relating to any such Other Financings.

(m) Interests of Lenders. Nothing in this Agreement shall be construed to create a partnership or joint venture between Lenders for any purpose. Agent, Lenders and Borrowers recognize that the respective obligations of Lenders under the Commitments shall be several and not joint and that neither Agent nor any of Lenders shall be responsible or liable to perform any of the obligations of the other under this Agreement. Each Lender is deemed to be the owner of an undivided interest in and to all rights, titles, benefits and interests belonging and accruing to Agent under the Security Instruments, including, without limitation, liens and security interests in any collateral, fees and payments of principal and interest by Borrowers under the Commitments on a Pro Rata basis. Each Lender shall perform all duties and obligations of Lenders under this Agreement in the same proportion as its ownership interest in the Loans outstanding at the date of determination thereof.

(n) Investments. Whenever Agent in good faith determines that it is uncertain about how to distribute to Lenders any funds which it has received, or whenever Agent in good faith determines that there is any dispute among the Lenders about how such funds

should be distributed, Agent may choose to defer distribution of the funds which are the subject of such uncertainty or dispute. If Agent in good faith believes that the uncertainty or dispute will not be promptly resolved, or if Agent is otherwise required to invest funds pending distribution to the Lenders, Agent may invest such funds pending distribution (at the risk of Borrowers). All interest on any such investment shall be distributed upon the distribution of such investment and in the same proportions and to the same Persons as such investment. All monies received by Agent for distribution to the Lenders (other than to the Person who is Agent in its separate capacity as a Lender) shall be held by the Agent pending such distribution solely as Agent for such Lenders, and Agent shall have no equitable title to any portion thereof.

(o) Delegation to Affiliates. Borrowers and the Lenders agree that the Agent may delegate any of its duties under this Agreement to any of its Affiliates. Any such Affiliate (and such Affiliate's directors, officers, agents and employees) which perform duties in connection with this Agreement shall be entitled to the same benefits of the indemnification, waiver and other protective provisions to which the Agent is entitled under Sections 15 and 18.

(p) Execution of Collateral Documents. The Lenders hereby empower and authorize the Agent to execute and deliver the Security Instruments and all related financing statements and other financing statements, agreements, documents or instruments that shall be necessary or appropriate to effect the purposes of the Security Instruments.

(q) Collateral Releases. The Lenders hereby empower and authorize the Agent to execute and deliver to Borrowers on their behalf any agreements, documents, or instruments as shall be necessary or appropriate to reflect any releases of Collateral which shall be permitted by the terms hereof (including, without limitation, the release of Collateral that Borrowers are permitted to sell pursuant to Section 13(a)(ii)) or of any other Loan Document or which shall otherwise have been approved by the Super Majority Lenders pursuant to Section 15.

(r) Co-Agents, Documentation Agent, Syndication Agent, etc. Neither any of the Lenders identified in this Agreement as the Co-Documentation Agents or Co-Syndication Agents shall have any right, power, obligation, liability, responsibility or duty under this Agreement other than those applicable to all Lenders as such. Without limiting the foregoing, none of such Lenders shall have or be deemed to have a fiduciary relationship with any Lender. Each Lender hereby makes the same acknowledgments with respect to such Lenders as it makes with respect to the Agent in such Section 15(g).

16. EXERCISE OF RIGHTS. No failure to exercise, and no delay in exercising, on the part of the Agent or the Lenders, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of

any other right. The rights of the Agent and the Lenders hereunder shall be in addition to all other rights provided by law.

17. NOTICES. Any notices or other communications required or permitted to be given by this Agreement or any other documents or instruments referred to herein must be given in writing (which may be by bank wire, telecopy or similar writing) and shall be given to the party to whom such notice or communication is directed at the address or telecopy number of such party as follows: (a) BORROWERS AND GUARANTORS: c/o RANGE RESOURCES CORPORATION, 777 Main Street, Suite 800, Fort Worth, Texas 76102, Attention: Roger Manny, Chief Financial Officer, (b) AGENT: Bank One, NA, Mail Code IL1-0634, 1 Bank One Plaza, Chicago, Illinois, 60670-0634, Facsimile No.: (312) 732-4840, Attention: Jim Moore, with a copy to BANK ONE, NA, 1717 Main Street, TX1-2448, Dallas, Texas 75201, Facsimile No. (214) 290-2332, Attention: Wm. Mark Cranmer, Director, Capital Markets, and (c) LENDERS: at such Lender's address or facsimile number set forth below its name on Annex A attached hereto or in the assignment pursuant to which such Lender became a party hereto, with a copy to: Bank One, NA, 1 Bank One Plaza, IL1-0429, Chicago, Illinois 60670, Attention: Syndication. Any such notice or other communication shall be effective (a) if given by telecopy, when such telecopy is transmitted to the telecopy number specified in this Section 17 and the appropriate answerback is received or receipt is otherwise confirmed, (b) if given by mail, three (3) days after deposit in the mails with first-class postage, prepaid, as addressed as aforesaid or (c) if given by any other method, when delivered at the address specified in this Section 17; provided, however, that notices to the Agent under Sections 2, 3, 4 or 5 shall not be effective until received. Any notice required to be given to the Lenders shall be given to the Agent and distributed to all Lenders by the Agent.

18. EXPENSES. Borrowers shall pay (i) all reasonable and necessary out-of-pocket expenses of the Agent, including reasonable fees and disbursements of special counsel for the Agent, in connection with the preparation of this Agreement, any waiver or consent hereunder or any amendment hereof or any Default or Event of Default or alleged Default or Event of Default hereunder, (ii) all reasonable and necessary out-of-pocket expenses of the Agent, including reasonable fees and disbursements of special counsel for the Agent in connection with the preparation of any participation agreement for a participant or participants requested by Borrowers or any amendment thereof and (iii) if a Default or an Event of Default occurs, all reasonable and necessary out-of-pocket expenses incurred by the Lenders, including reasonable fees and disbursements of counsel, in connection with such Default and Event of Default and collection and other enforcement proceedings resulting therefrom. BORROWERS HEREBY ACKNOWLEDGE THAT GARDERE WYNNE SEWELL LLP IS SPECIAL COUNSEL TO BANK ONE, AS AGENT AND AS A LENDER, UNDER THIS AGREEMENT AND THAT IT IS NOT COUNSEL TO, NOR DOES IT REPRESENT BORROWER IN CONNECTION WITH THE TRANSACTIONS DESCRIBED IN THIS AGREEMENT. Borrowers are relying on separate counsel in the transaction described herein. Borrowers shall indemnify the Lenders against any transfer taxes, document taxes, assessments or charges made by any governmental authority by reason of the execution, delivery and filing of the Loan

Documents. The obligations of this Section 18 shall survive any termination of this Agreement, the expiration of the Loans and the payment of all Obligations of Borrowers to the Lenders hereunder and under the Notes.

19. INDEMNITY. Borrowers hereby agree to indemnify the Agent, the Arranger, each Lender, their respective Affiliates, and each of their directors, officers, and employees (the "Indemnified Parties") against all losses, claims, damages, penalties, judgments, liabilities and expenses (including, without limitation, all expenses of litigation or preparation therefor of any Indemnified Party, the Agent, the Arranger, any Lender or any Affiliate that is a party thereto) which any of them may pay or incur arising out of or relating to this Agreement, the other Loan Documents, the transactions contemplated hereby or the direct or indirect application or proposed application of the proceeds of any loan hereunder even if any of the foregoing arises out of the ordinary negligence of the party seeking indemnification except to the extent that they are determined in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the party seeking indemnification. The indemnity set forth herein shall be in addition to any other obligations or liabilities of Borrowers to any Indemnified Party, the Agent, the Arranger and each of the Lenders hereunder or at common law or otherwise, and shall survive any termination of this Agreement, the expiration of the Loans and the payment of all Obligations of Borrower to the Lenders hereunder and under the Notes. THE PARTIES INTEND FOR THE PROVISIONS OF THIS SECTION TO APPLY TO AND PROTECT EACH INDEMNIFIED PARTY FROM THE CONSEQUENCES OF ANY LIABILITY INCLUDING STRICT LIABILITY IMPOSED OR THREATENED TO BE IMPOSED ON AGENT AS WELL AS FROM THE CONSEQUENCES OF ITS OWN NEGLIGENCE, WHETHER OR NOT THAT NEGLIGENCE IS THE SOLE, CONTRIBUTING, OR CONCURRING CAUSE OF ANY CLAIM.

20. NON-LIABILITY OF LENDERS. The relationship between Borrowers on the one hand and the Lenders and the Agent on the other hand shall be solely that of borrower and lender. Neither the Agent, the Arranger nor any Lender shall have any fiduciary responsibility to Borrowers. Neither the Agent, the Arranger nor any Lender undertakes any responsibility to Borrowers to review or inform Borrowers of any matter in connection with any phase of any Borrower's businesses or operations. Borrowers agree that neither the Agent, the Arranger nor any Lender shall have any liability to Borrowers (whether sounding in tort, contract or otherwise) for losses suffered by Borrowers in connection with, arising out of, or in any way related to, the transactions contemplated and the relationship established by this Agreement and the other Loan Documents, or any act, omission or event occurring in connection therewith, unless it is determined in a final non-appealable judgment by a court of competent jurisdiction that such loss resulted from the gross negligence or willful misconduct of the party from which recovery is sought. Neither the Agent, the Arranger nor any Lender shall have any liability with respect to, and Borrowers hereby waive, release and agree not to sue for, any special, indirect, consequential or punitive damages suffered by Borrowers in connection with, arising out of, or in

any way related to this Agreement, the Loan Documents or any transaction contemplated thereby.

21. GOVERNING LAW. THIS AGREEMENT IS BEING EXECUTED AND DELIVERED, AND IS INTENDED TO BE PERFORMED, IN DALLAS, DALLAS COUNTY, TEXAS, AND THE SUBSTANTIVE LAWS OF TEXAS SHALL GOVERN THE VALIDITY, CONSTRUCTION, ENFORCEMENT AND INTERPRETATION OF THIS AGREEMENT AND ALL OTHER DOCUMENTS AND INSTRUMENTS REFERRED TO HEREIN, UNLESS OTHERWISE SPECIFIED THEREIN.

22. INVALID PROVISIONS. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term of this Agreement, such provisions shall be fully severable and this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of the Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

23. MAXIMUM INTEREST RATE. Regardless of any provisions contained in this Agreement or in any other documents and instruments referred to herein, the Lenders shall never be deemed to have contracted for or be entitled to receive, collect or apply as interest on the Notes any amount in excess of the Maximum Rate, and in the event any Lender ever receives, collects or applies as interest any such excess, or if an acceleration of the maturities of any Notes or if any prepayment by Borrowers results in Borrowers having paid any interest in excess of the Maximum Rate, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Notes for which such excess was received, collected or applied, and, if the principal balance of such Note is paid in full, any remaining excess shall forthwith be paid to Borrowers. All sums paid or agreed to be paid to the Lenders for the use, forbearance or detention of the Obligations evidenced by the Notes and/or this Agreement shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such Obligations until payment in full so that the rate or amount of interest on account of such Obligations does not exceed the Maximum Rate. In determining whether or not the interest paid or payable under any specific contingency exceeds the Maximum Rate of interest permitted by law, Borrowers and the Lenders shall, to the maximum extent permitted under applicable law, (i) characterize any non-principal payment as an expense, fee or premium, rather than as interest; and (ii) exclude voluntary prepayments and the effect thereof; and (iii) compare the total amount of interest contracted for, charged or received with the total amount of interest which could be contracted for, charged or received throughout the entire contemplated term of the Note at the Maximum Rate.

For purposes of Section 303 of the Texas Finance Code, to the extent applicable to any Lender or Agent, Borrowers agree that the Maximum Rate shall be the "weekly ceiling" as defined in said Chapter, provided that such Lender or Agent, as applicable, may also rely, to the extent permitted by applicable laws of the State of Texas and the United States of America, on

alternative maximum rates of interest under the Texas Finance Code or other laws applicable to such Lender or Agent from time to time if greater (the "Maximum Rate").

24. AMENDMENTS AND WAIVERS. This Agreement may be amended only by an instrument in writing executed by an authorized officer of the party against whom such amendment is sought to be enforced. No modification or waiver of any provision of the Loan Documents, including this Agreement, or the Notes nor consent to departure therefrom, shall be effective unless in writing signed by Borrowers and Required Lenders; provided, however, that no amendment, waiver, or other action shall be effected pursuant to this Section 24 without the consent of all Lenders which: (a) would increase the Borrowing Base, (b) would reduce any fees hereunder, or the principal of, or the interest on, any Lender's Note or Notes, (c) would postpone any date fixed for any payment of any fees hereunder, or any principal or interest of any Lender's Note or Notes, (d) would increase the aggregate Commitments or any Lender's individual Commitment hereunder or would materially alter Agent's obligations to any Lender hereunder, (e) would release Borrowers from their obligation to pay any Lender's Note or Notes, (f) would release any Guarantor from its obligations under any Guaranty, (g) would change the definition of Required Lenders or Super Majority Lenders, or (h) would amend this sentence. No such consent or waiver shall extend beyond the particular case and purpose involved. No notice or demand given in any case shall constitute a waiver of the right to take other action in the same, similar or other circumstances without such notice or demand. No amendment of any provision of this Agreement relating to the Agent shall be effective without the written consent of the Agent.

25. MULTIPLE COUNTERPARTS. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one agreement, and any of the parties hereto may execute this Agreement by signing any such counterpart; 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. This Agreement shall be effective when it has been executed by Borrowers, the Agent, and the Lenders and each party has notified the Agent by facsimile transmission or telephone that it has taken such action.

26. CONFLICT. In the event any term or provision hereof is inconsistent with or conflicts with any provision of the Loan Documents, the terms or provisions contained in this Agreement shall be controlling.

27. SURVIVAL. All covenants, agreements, undertakings, representations and warranties made in the Loan Documents, including this Agreement, the Notes or other documents and instruments referred to herein shall survive all closings hereunder and shall not be affected by any investigation made by any party.

28. PARTIES BOUND. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns, heirs, legal representatives and estates, provided, however, that Borrowers may not, without the prior written consent of all of the Lenders, assign any rights, powers, duties or obligations hereunder.

29. ASSIGNMENTS AND PARTICIPATIONS.

(a) Each Lender shall have the right to sell, assign or transfer all or any part of its Note or Notes, its Commitment and its rights and obligations hereunder to one or more Affiliates, Lenders, financial institutions, pension plans, insurance companies, investment funds, or similar Persons who are Eligible Assignees or to a Federal Reserve Bank; provided, that each sale, assignment or transfer (other than to an Affiliate or a Federal Reserve Bank) shall require the consent of Agent and Borrower, which consents will not be unreasonably withheld; provided, however, that if an Event of Default has occurred and is continuing, the consent of Borrower shall not be required. Any such assignee, transferee or recipient shall have, to the extent of such sale, assignment, or transfer, the same rights, benefits and obligations as it would if it were such Lender and a holder of such Note, Commitment and rights and obligations, including, without limitation, the right to vote on decisions requiring consent or approval of all Lenders or Super Majority Lenders and the obligation to fund its Commitment; provided, that (1) each such sale, assignment, or transfer (other than to an Affiliate or a Federal Reserve Bank) shall be in an aggregate principal amount not less than $5,000,000, (2) each remaining Lender shall at all times maintain Commitment then outstanding in an aggregate principal amount at least equal to $5,000,000; (3) each such sale, assignment or transfer shall be of a Pro Rata portion of such Lender's Commitment, (4) no Lender may offer to sell its Note or Notes, Commitment, rights and obligations or interests therein in violation of any securities laws; and (5) no such assignments (other than to a Federal Reserve Bank) shall become effective until the assigning Lender and its assignee delivers to Agent and Borrower an Assignment and Acceptance and the Note or Notes subject to such assignment and other documents evidencing any such assignment. An assignment fee in the amount of $3,500 for each such assignment (other than to an Affiliate, a Lender or the Federal Reserve Bank) will be payable to Agent by assignor or assignee. Within five (5) Business Days after its receipt of copies of the Assignment and Acceptance and the other documents relating thereto and the Note or Notes, Borrower shall execute and deliver to Agent (for delivery to the relevant assignee) a new Note or Notes evidencing such assignee's assigned Commitment and if the assignor Lender has retained a portion of its Commitment, a replacement Note in the principal amount of the Commitment retained by the assignor (except as provided in the last sentence of this paragraph (a) such Note or Notes to be in exchange for, but not in payment of, the Note or Notes held by such Lender). On and after the effective date of an assignment hereunder, the assignee shall for all purposes be a Lender, party to this Agreement and any other Loan Document executed by the Lenders and shall have all the rights and obligations of a Lender under the Loan Documents, to the same extent as if it were an original party thereto, and no further consent or action by Borrower, Lenders or the Agent shall be required to release the transferor Lender with respect to its Commitment assigned to such assignee and the transferor Lender shall henceforth be so released.

(b) Each Lender shall have the right to grant participations in all or any part of such Lender's Notes and Commitment hereunder to one or more pension plans, investment funds, insurance companies, financial institutions or other Persons, provided, that:

(i) each Lender granting a participation shall retain the right to vote hereunder, and no participant shall be entitled to vote hereunder on decisions requiring consent or approval of Lender or Super Majority Lenders (except as set forth in (iii) below);

(ii) in the event any Lender grants a participation hereunder, such Lender's obligations under the Loan Documents shall remain unchanged, such Lender shall remain solely responsible to the other parties hereto for the performance of such obligations, such Lender shall remain the holder of any such Note or Notes for all purposes under the Loan Documents, and Agent, each Lender and Borrower shall be entitled to deal with the Lender granting a participation in the same manner as if no participation had been granted; and

(iii) no participant shall ever have any right by reason of its participation to exercise any of the rights of Lenders hereunder, except that any Lender may agree with any participant that such Lender will not, without the consent of such participant (which consent may not be unreasonably withheld) consent to any amendment or waiver requiring approval of all Lenders.

(c) It is understood and agreed that any Lender may provide to assignees and participants and prospective assignees and participants financial information and reports and data concerning Borrower's properties and operations which was provided to such Lender pursuant to this Agreement, provided, that each recipient thereto has first agreed, for the benefit of Borrower, to hold such information, reports and data in confidence on the terms set out in Section 12(j).

(d) Upon the reasonable request of either Agent or Borrower, each Lender will identify those to whom it has assigned or participated any part of its Notes and Commitment, and provide the amounts so assigned or participated.

30. Confidentiality. Each Lender agrees to hold any information which it may receive from any Borrower pursuant to this Agreement in confidence, except for disclosure (i) to its Affiliates and to other Lenders and their respective Affiliates, (ii) to legal counsel, accountants, and other professional advisors to such Lender or to a Transferee, (iii) to regulatory officials, (iv) to any Person as requested pursuant to or as required by law, regulation, or legal process, (v) to any Person in connection with any legal proceeding to which such Lender is a party, (vi) to such Lender's direct or indirect contractual counterparties in swap agreements or to

legal counsel, accountants and other professional advisors to such counterparties, (vii) permitted by Section 29 and (viii) to rating agencies if requested or required by such agencies in connection with a rating relating to the Advances hereunder. Notwithstanding anything herein to the contrary, confidential information shall not include, and each Lender (and each employee, representative or other agent of any Lender) may disclose to any and all Persons, without limitation of any kind, information generally known to the public, information obtained by any Lender from sources other than the Company or any of its Subsidiaries either before or after the date of this agreement, and the "tax treatment" and "tax structure" (in each case, within the meaning of Treasury Regulation Section 1.6011-4) of the transactions contemplated hereby and all materials of any kind (including opinions or other tax analyses) that are or have been provided to such Lender relating to such tax treatment or tax structure; provided that with respect to any document or similar item that in either case contains information concerning such tax treatment or tax structure of the transactions contemplated hereby as well as other information, this sentence shall only apply to such portions of the document or similar item that relate to such tax treatment or tax structure.

31. CHOICE OF FORUM: CONSENT TO SERVICE OF PROCESS AND JURISDICTION. THE OBLIGATIONS OF BORROWERS UNDER THE LOAN DOCUMENTS ARE PERFORMABLE IN DALLAS COUNTY, TEXAS. ANY SUIT, ACTION OR PROCEEDING AGAINST BORROWERS WITH RESPECT TO THE LOAN DOCUMENTS OR ANY JUDGMENT ENTERED BY ANY COURT IN RESPECT THEREOF, MAY BE BROUGHT IN THE COURTS OF THE STATE OF TEXAS, COUNTY OF DALLAS, OR IN THE UNITED STATES COURTS LOCATED IN DALLAS COUNTY, TEXAS AND BORROWERS HEREBY SUBMIT TO THE NON-EXCLUSIVE JURISDICTION OF SUCH COURTS FOR THE PURPOSE OF ANY SUCH SUIT, ACTION OR PROCEEDING. BORROWER HEREBY IRREVOCABLY CONSENT TO SERVICE OF PROCESS IN ANY SUIT, ACTION OR PROCEEDING IN SAID COURT BY THE MAILING THEREOF BY LENDER BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO BORROWERS, AT THE ADDRESS FOR NOTICES AS PROVIDED IN SECTION 17. BORROWERS HEREBY IRREVOCABLY WAIVE ANY OBJECTION WHICH THEY MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY SUIT, ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT BROUGHT IN THE COURTS LOCATED IN THE STATE OF TEXAS, COUNTY OF DALLAS, AND HEREBY FURTHER IRREVOCABLY WAIVE ANY CLAIM THAT ANY SUCH SUIT, ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

32. WAIVER OF JURY TRIAL. BORROWERS, THE AGENT AND THE LENDERS HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

33. OTHER AGREEMENTS. THIS WRITTEN CREDIT AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT BETWEEN 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 THE PARTIES.

34. FINANCIAL TERMS. All accounting terms used in this Agreement which are not specifically defined herein shall be construed in accordance with GAAP.

35. INTERPRETATION, ETC. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Section, Annex, Exhibit or Schedule shall be to a Section, Annex, Exhibit or Schedule, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including", when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter.

36. USA PATRIOT ACT NOTIFICATION. The following notification is provided to each Borrower pursuant to Section 326 of the USA Patriot Act of 2001, 31 U.S.C. Section 5318:

IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW ACCOUNT. To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each Person or entity that opens an account, including any deposit account, treasury management account, loan, other extension of credit, or other financial services product. What this means for Borrowers: When any Borrower opens an account, if such Borrower is an individual, the Agent and the Lenders will ask for such Borrower's name, residential address, tax identification number, date of birth, and other information that will allow the Agent and the Lenders to identify such Borrower, and, if such Borrower is not an individual, the Agent and the Lenders will ask for such Borrower's name, tax identification number, business address, and other information that will allow the Agent and the Lenders to identify such Borrower. The Agent and the Lenders may also ask if such Borrower is an individual, to see such Borrower's driver's license or other identifying documents, and, if such Borrower is not an individual, to see such Borrower's Organizational Documents or other identifying documents.

37. ORIGINAL CREDIT AGREEMENT. Effective upon the Effective Date, this Agreement shall supersede in its entirety the Original Credit Agreements; provided, however, that all loans, letters of credit, and other indebtedness, obligations and liabilities outstanding under the Original Credit Agreements on such date shall continue to constitute Loans, Letters of Credit and other Obligations under this Agreement and the execution and delivery of this Agreement or any of the

Loan Documents hereunder shall not constitute a novation, refinancing or any other fundamental change in the relationship among the parties and the Loans, Letters of Credit, and other Obligations outstanding hereunder, to the extent outstanding under the Original Credit Agreements immediately prior to the date hereof, shall constitute the same loans, letters of credit, and other indebtedness, obligations and liabilities as outstanding under the Original Credit Agreements. In addition to the foregoing, on the date of the initial Advance all then outstanding LIBOR Loans and Base Rate Loans under then Original Credit Agreements shall be deemed converted to LIBOR Loans and Base Rate Loans under this Agreement in the amounts specified by the Borrowers in a Notice of Continuation dated the date hereof and delivered to the Agent by the Borrowers prior to the initial Advance.

38. TRI-PARTY LOAN. Texas Finance Code, Section 346 shall not apply to loans evidenced by this Agreement or the Notes.

39. REALLOCATION OF COMMITMENTS. The Lenders have agreed among themselves to reallocate their respective Commitments and to allow the June 2004 New Lenders to acquire an interest in the Commitments and the Loans and to allow JPMorgan Chase Bank to transfer and assign its interest in the Commitments and the Loans. After such reallocation of the Commitments, on the date hereof, the Lenders shall own the Commitment Percentages set forth on Annex A to this Agreement. With respect to such reallocation, each of the June 2004 New Lenders shall be deemed to have acquired the Commitments and Loans allocated to them from each of the Lenders and JPMorgan Chase Bank pursuant to the terms of the Assignment and Acceptance Agreement attached as Exhibit E to this Agreement as if the June 2004 New Lenders, the Lenders and JPMorgan Chase Bank had executed an Assignment and Acceptance Agreement with respect to such allocation and the transfer and assignment of JPMorgan Chase Bank's allocation under the Original Credit Agreement. Each Lender and JPMorgan Chase Bank shall surrender its existing Note and each Lender shall be issued a new Note in a face amount equal to each Lender's Commitment Percentage times $600,000,000. Each said Note to be in the form of Exhibit "B" to this Agreement with appropriate insertions. The funds delivered to Agent by each of the June 2004 New Lenders to acquire an interest in the Commitments and the Loans shall be allocated such that after giving effect to such allocation and payment each of the Lender's shall own the Commitment Percentages set forth on Annex A to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

BORROWERS:

RANGE RESOURCES CORPORATION
a Delaware corporation

By:

Name: Roger S. Manny
Title: Senior Vice President

GREAT LAKES ENERGY PARTNERS, L.L.C.
a Delaware limited liability company

By: Range Holdco, Inc.
Its member

By:

Name: Roger S. Manny
Title: Senior Vice President

By: Range Energy I, Inc.
Its member

By:

Name: Roger S. Manny
Title: Senior Vice President

LENDERS:

BANK ONE, NA, a national
banking association (Main Office Chicago)
as a Lender and Administrative Agent

By:

Name: Wm. Mark Cranmer
Title: Director, Capital Markets

BANK OF SCOTLAND

By: ----------

Name: ----------

Title: ----------

COMPASS BANK

By: ----------------------------------

Name: --------------------------------

Title: -------------------------------

CALYON NEW YORK BRANCH, AS SUCCESSOR
BY CONSOLIDATION TO CREDIT LYONNAIS
NEW YORK BRANCH

By:

Name:

Title:

FLEET NATIONAL BANK

By: ----------

Name: ----------

Title: ----------

FORTIS CAPITAL CORP.

By: ----------

Name: ----------

Title: ----------

By: ----------

Name: ----------

Title: ----------

NATEXIS BANQUES POPULAIRES

By:

Name:

Title:

By:

Name:

Title:

COMERICA BANK

By:

Name:

Title:

HIBERNIA NATIONAL BANK

By: _____

Name: _____

Title: _____

SOUTHWEST BANK OF TEXAS, N.A.

By: _____

Name: _____

Title: _____

HARRIS NESBITT FINANCING, INC.

By: _____

Name: _____

Title: _____

THE BANK OF NOVA SCOTIA

By: _____

Name: _____

Title: _____

THE FROST NATIONAL BANK

By: _____

Name: _____

Title: _____

UNION BANK OF CALIFORNIA, N.A.

By: ---

Name: ---

Title: ---

By: ---

Name: ---

Title: ---

KEY BANK

By: _______________________________

Name: _______________________________

Title: _______________________________

WACHOVIA BANK, NATIONAL
ASSOCIATION

By: _____

Name: _____

Title: _____

ANNEX A

COMMITMENT PERCENTAGES

LENDER	COMMITMENT PERCENTAGE
Bank One, NA 1 Bank One Plaza Mail Code IL1-0634 Chicago, Illinois 60670-0634 Attention: Jim Moore Telephone: (312) 385-7057 Facsimile: (312) 385-7096	9%
Bank of Scotland 565 Fifth Avenue New York, New York 10017 Attention: Ms. Shirley Vargas Telephone: (212) 450-0875 Facsimile: (212) 479-2807	9%
Compass Bank 600 N. Main Avenue San Antonio, Texas 78205 Attention: Ellan Watkins Telephone: (713) 968-8279 Facsimile: (713) 968-8292	5%
Calyon New York Branch 1301 Avenue of the Americas New York, New York 10019 Attention: Gener David Telephone: (212) 261-7741 Facsimile: (917) 849-5440	9%
Fleet National Bank 100 Federal Street, MA DE 10008A Boston, Massachusetts 02110 Attention: Jeffrey Rathkamp Telephone: (617) 434-9061 Facsimile: (617) 434-3652	7%

Fortis Capital Corp. 9%
15455 North Dallas Parkway,
Suite 1400
Addison, Texas 75001
Attention: Frank Campanelli
Telephone: (203) 705-5898
Facsimile: (203) 705-5888

Natexis Banques Populaires 5%
Southwest Representative Office
333 Clay Street, Suite 4340
Houston, Texas 77002
Attention: Tanya McAllister
Telephone: (713) 759-9409
Facsimile: (713) 571-6165

Comerica Bank 7%
1601 Elm Street, 2nd Floor
Dallas, Texas 75201
Attention: Michele Jones with a copy to Cathy Watson
Telephone: (214) 969-6564
Facsimile: (214) 969-6561

Hibernia National Bank 3%
313 Carondelet Street, 10th Floor
New Orleans, Louisiana 70130
Attention: Joyce Baker
Telephone: (504) 533-5352
Facsimile: (504)533-5434

Southwest Bank of Texas, N.A. 3%
4295 San Felipe
Houston, Texas 77027
Attention: Maxine Hunter
Telephone: (713) 232-6355
Facsimile: (713) 963-7467

Harris Nesbitt Financing, Inc. 7%
115 S. LaSalle Streeet
Chicago, Illinois 60603
Attention: Terri Mikula
Telephone: (312) 750-5947
Facsimile: (312)750-6061

Key Bank 5%
127 Public Square
Cleveland, Ohio 44114
Attention: Anita Anders
Telephone: (216) 689-4561
Facsimile: (216) 689-5962

Wachovia Bank, National Association 5%
201 S. College, CP-9
Charlotte, NC 28288
Attention: Cynthia Rawson
Telephone: (704) 374-4425
Facsimile: (704) 715-0097

Union Bank of California, N.A. 7%
1980 Saturn Street, Mail Code
Monterey Park, California 91755
Attention: Maria Suncin
Telephone: (323) 720-2870
Facsimile: (323) 720-2252

The Bank of Nova Scotia 7%
600 Peachtree St. NE
Suite 2700
Atlanta, Georgia 30308
Attention: Jill A. Retess
Telephone: (404) 877-1544
Facsimile: (404) 888-8998

The Frost National Bank 3%
777 Main Street
Suite 100
Fort Worth, Texas 76102
Attention: Karen Moore
Telephone: (210) 420-5673
Facsimile: (210) 420-5250

PRICING SCHEDULE
APPLICABLE MARGIN

BORROWING BASE USAGE	APPLICABLE MARGIN FOR BASE RATE LOANS	APPLICABLE MARGIN FOR LIBOR LOANS	APPLICABLE MARGIN FOR UNUSED COMMITMENT FEE
Greater than or equal to 90%	.625%	1.875%	.50%
Greater than or equal to 75% and less than 90%	.50%	1.75%	.375%
Greater than or equal to 50% and less than 75%	.25%	1.50%	.375%
Less than 50%	0%	1.25%	.25%

EXHIBIT 31.1

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: July 28, 2004

/s/ JOHN H. PINKERTON
John H. Pinkerton
President and Chief Executive Officer

EXHIBIT 31.2

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 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)) 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: July 28, 2004

/s/ ROGER S. MANNY
Roger S. Manny
Senior Vice President and Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF
PRESIDENT AND CHIEF EXECUTIVE OFFICER
OF RANGE RESOURCES CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying report on Form 10-Q for the period ending June 30, 2004 and filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John H. Pinkerton, President 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.

By: /s/ JOHN H. PINKERTON
John H. Pinkerton
July 28, 2004

EXHIBIT 32.2

CERTIFICATION OF
CHIEF FINANCIAL OFFICER
OF RANGE RESOURCES CORPORATION
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the accompanying report on Form 10-Q for the period ending June 30, 2004 and filed with the Securities and Exchange Commission on the date hereof (the "Report"), 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.

By: /s/ ROGER S. MANNY
Roger S. Manny
July 28, 2004