•		DTG-W
DATE IN 10,10,11 SUSPI	PENSE ENGINEER & LOGGED IN 10, 10, 11 TYPE CTB AS	PP NO. 1/128365570
	NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505	HANSON OP 1174 6 Wells -
	ADMINISTRATIVE APPLICATION CHECKL	
Application Acronyr [NSL-Non-St [DHC-Dov	MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE ms: tandard Location] [NSP-Non-Standard Proration Unit [SD-Simultane wnhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Me [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expan [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]	ous Dedication] e Commingling] asurement]
[EOR-Qu	ualified Enhanced Oil Recovery Certification] [PPR-Positive Produc	tion Response]

		[PC-Poo	thole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Comminglof Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] ified Enhanced Oil Recovery Certification] [PPR-Positive Production Respon	-
[1]	ТҮРЕ	OF AP	PLICATION - Check Those Which Apply for [A] Location - Spacing Unit - Simultaneous Dedication NSL NSP SD	Chave ^S STale
		Check [B]	Commingling - Storage - Measurement DHC CTB PC OLS OLM	
		[C]	Injection - Disposal - Pressure Increase - Enhanced Oil Recovery WFX PMX SWD IPI BOR PPR	27,28 105 27E
		[D]	Other: Specify	
[2]	NOTII	FICATI [A]	ON REQUIRED TO: - Check Those Which Apply, or Does Not Apply Working, Royalty or Overriding Royalty Interest Owners	
		[B]	Offset Operators, Leaseholders or Surface Owner	
		[C]	Application is One Which Requires Published Legal Notice	
•	·	[D]	Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office	
		[E]	For all of the above, Proof of Notification or Publication is Attached, and/or	,
		[F]	☐ Waivers are Attached	
[3]			CURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS TO INDICATED ABOVE.	ГНЕ ТҮРЕ
	al is acc	urate an	FION: I hereby certify that the information submitted with this application for adresd complete to the best of my knowledge. I also understand that no action will be quired information and notifications are submitted to the Division.	ninistrative taken on this
		Note:	Statement must be completed by an individual with managerial and/or supervisory capacity.	
Carol J. S Print or	mith Type Na	me	Signature Signature Production Analyst Title	9/23/2011 Date
			hanson@dfn.com e-mail Address	

<u>District I</u>
1625 N. French Drive, Hobbs, NM 88240
<u>District II</u>
811 S. First St., Artesia, NM 88210
<u>District III</u>
1000 Rio Brazos Road, Aztec, NM 87410
<u>District IV</u>
1220 S. St Francis Dr, Santa Fe, NM
87505

E-MAIL ADDRESS:__hanson@dfn.com_

State of New Mexico Energy, Minerals and Natural Resources Department

Form C-107-B Revised August 1, 2011

OIL CONSERVATION DIVISION

1220 S. St Francis Drive Santa Fe, New Mexico 87505 Submit the original application to the Santa Fe office with one copy to the appropriate District Office.

	Operating Company, In	COMMININGLING	DIVERSE	OWNERSHIP)	
	1515, Roswell, NM			`	
APPLICATION TYPE:	,,,				
☐ Pool Commingling ☐ Lease Commingling	ng Pool and Lease Co	mmingling Off-Lease	Storage and Measur	rement (Only if not Surface	e Commingled)
LEASE TYPE:	State	eral			
Is this an Amendment to existing Order					
Have the Bureau of Land Management ⊠Yes □No	(BLM) and State Land	d office (SLO) been not	ified in writing o	of the proposed comm	ingling
		OL COMMINGLIN ts with the following in			
(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes
			,	Ì	
		4			
		4		-	
	,	4	·	-	
(2) Are any wells producing at top allowa	bles? Tyes (TNo)	<u>, l</u>			
(2) Are any wells producing at top allowa(3) Has all interest owners been notified b		oposed commingling?	□Yes □No.		
(4) Measurement type: Metering [Other (Specify)				
(5) Will commingling decrease the value	of production? Yes	☐No If "yes", descri	be why commingl	ing should be approved	
		SE COMMINGLIN			
		ts with the following in	nformation		
(1) Pool Name and Code. 17640 Diablo S		Ja			
(2) Is all production from same source of(3) Has all interest owners been notified by			⊠Yes . □N	lo	
• •	Other (Specify) Well to				
					
	(C) POOL and	LEASE COMMIN	CLINC		
		ts with the following in		,	
(1) Complete Sections A and E.		8			
(1		TORAGE and MEA			
(1) Is all production from same source of		ets with the following	mormation		
(2) Include proof of notice to all interest of	— —	•			
•					
(E) Al		ORMATION (for all ts with the following in		ypes)	
(1) A schematic diagram of facility, inclu-	ding legal location.				-
(2) A plat with lease boundaries showing		tions. Include lease number	ers if Federal or St	ate lands are involved.	
(3) Lease Names, Lease and Well Number	rs, and API Numbers.				
I hereby certify that the information above is	s true and complete to th	e best of my knowledge ar	d belief.		
SIGNATURE: (Arol).	1 .1.0	TITLE:Production An		DATE:9/23	/2011
TYPE OR PRINT NAMECarol J. Smit	th		TELEF	PHONE NO.:575-622	-7330
 -					

Submit 1 Copy To Appropriate District State of New Mexico Form C-103 Energy, Minerals and Natural Resources Revised August 1, 2011 <u>District I</u> – (575) 393-6161 WELL API NO. 1625 N. French Dr., Hobbs, NM 88240 District II - (575) 748-1283 See Attached OIL CONSERVATION DIVISION 811 S. First St., Artesia, NM 88210 5. Indicate Type of Lease District III - (505) 334-6178 1220 South St. Francis Dr. STATE 🖂 1000 Rio Brazos Rd., Aztec, NM 87410 Santa Fe, NM 87505 <u>District IV</u> – (505) 476-3460 6. State Oil & Gas Lease No. 1220 S. St. Francis Dr., Santa Fe, NM L-6278 & LG-7425 7. Lease Name or Unit Agreement Name SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH Hanlad B State and Hanlad State Wells 8. Well Number 1. Type of Well: Oil Well Gas Well Other See Attached 2. Name of Operator 9. OGRID Number Hanson Operating Company, Inc. 3. Address of Operator 10. Pool name or Wildcat P O Box 1515, Roswell, NM 88202-1515 575-622-7330 17640 Diablo San Andres 4. Well Location line and Unit Letter feet from the feet from the NMPM Chaves Township Range 27E Section 22, 27, 28 10S County 11. Elevation (Show whether DR, RKB, RT, GR, etc.) 12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data NOTICE OF INTENTION TO: SUBSEQUENT REPORT OF: PERFORM REMEDIAL WORK □ PLUG AND ABANDON REMEDIAL WORK ALTERING CASING □ **TEMPORARILY ABANDON** П CHANGE PLANS COMMENCE DRILLING OPNS.□ P AND A П MULTIPLE COMPL CASING/CEMENT JOB PULL OR ALTER CASING DOWNHOLE COMMINGLE \Box OTHER: Central Tank Battery, Lease Commingle, Off Lease OTHER: Measurement, Sales & Storage 13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion. Hanson Operating Company, Inc. requests approval for a Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage for the attached wells. The existing Hanlad State #1 Battery located at the Hanlad State #1 wellsite will be utilized as the Central Tank Battery for the attached wells. The Hanlad B State Battery wells will be connected to the Hanlad State #1 Central Tank Battery. The current Hanlad B State Battery equipment will be dismantled and removed. The working interest, royalty interest and overriding royalty interest owners are diverse. Interest owners have been notified (See attached). Rig Release Date: Spud Date:

Type or print name __Carol J. Smith_____ E-mail address: ___hanson@dfn.com____ PHONE: _575-622-7330___

For State Use Only

APPROVED BY: _____ TITLE ____ DATE ____

Conditions of Approval (if any):

arol J. Smith TITLE Production Analyst DATE 9/23/2011

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Form C-103 Attachment Hanson Operating Company, Inc. Hanlad B State Battery Wells Hanlad State #1 Battery Wells Sections 22, 27, 28-10S-27E Chaves County, New Mexico

DIABLO; SAN ANDRES OIL ROLL

004984 Hanlad B State Battery

Lease L-6278 POD 1062710

WELL

Hanlad B State #2

Hanlad B State #5

Hanlad B State #7

LOCATION

A-28-10S-27E

M-22-10S-27E

L-22-10S-27E

API#

30-005-62543 ¹

30-005-60930

30-005-63146 L

004985 Hanlad State #1 Battery

Lease LG-7425 POD 1062910

WELL

Hanlad State #10

Hanlad State #4

Hanlad State #5

LOCATION

D-27-10S-27E ~

D-27-10S-27E

C-27-10S-27E

API#

30-005-60575

30-005-62374 \

30-005-62475 \$



HANSON OPERATING COMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

PHONE AC 505-622-7330

September 23, 2011

Interest Owners

RE:

Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage

Hanlad B State Battery and Hanlad State #1 Battery Wells

Sections 22, 27, 28-10S-27E Pool 17640 - Diablo San Andres Chaves County, New Mexico

Gentlemen:

Please be advised that Hanson Operating Company, Inc. has filed an application with the New Mexico Oil Conservation Division ("NMOCD") requesting approval to permit a Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage for the above referenced wells.

A copy of the application is attached for your review.

Any objections or requests for a hearing regarding the application must be submitted to the New Mexico Oil Conservation Division Santa Fe office within 20 days from the date of this letter.

Please contact the undersigned at 575-622-7330 should you have any questions or need additional information.

Sincerely,

HANSON OPERATING COMPANY, INC.

Carol J. Smith

Production Analyst

Attachments

HANLAD B STATE BATTERY AND HANLAD STATE #1 BATTERY WELLS SECTIONS 22, 27, 28-10S-27E CHAVES COUNTY, NEW MEXICO

C-107B APPLICATION FOR CENTRAL TANK BATTERY, LEASE COMMINGLE, OFF LEASE MEASUREMENT, SALES & STORAGE

September 23, 2011

INTEREST OWNERS

State of New Mexico Commissioner of Public Lands P. O. Box 1148 Santa Fe, NM 87504-1148 Certified Mailing Number 7005 0390 0006 3676 9009

Byrom, Ltd. Co. P. O. Box 147 Hobbs, NM 88240 Certified Mailing Number 7005 0390 0006 3676 9016

IN-HOUSE INTEREST OWNERS

Hanson-McBride Petroleum Co. P. O. Box 1515 Roswell, NM 88202-1515

Sue Hanson McBride P. O. Box 1515 Roswell, NM 88202-1515

McBride Royalty Account P. O. Box 1515 Roswell, NM 88202-1515

Joyco Investments, LLC P. O. Box 2104 Roswell, NM 88202-2104 McBride Minerals P. O. Box 1515 Roswell, NM 88202-1515

Julie Scott McBride P. O. Box 1515 Roswell, NM 88202-1515

McBride Oil & Gas Corporation P. O. Box 1515 Roswell, NM 88202-1515

Babe Development LLC P. O. Box 758 Roswell, NM 88202-0758

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P. O. BOX 2088

Form C-102 Revised 10-1-79

ENERGY AND MINERALS DEPARTMENT SANTA FE, NEW MEXICO 3750

		All distances must be	from the or	uter boundaries	of the Section	on.	
	nson Operatir	The state of the s			"B" Sta	ite	Well No.
Upit Letter	Section	Township	Pan		County		
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District I
PO Box 1980, Hobbs, NM \$8241-1980
District II
PO Drawer DD, Artesia, NM \$8211-0719
District III
1000 Rio Brazos Rd., Axtec, NM \$7410
District IV

PO Box 2088, Santa Fe, NM 87504-2088

API Number

State of New Mexico
Energy, Minerals & Natural Resources Departme.

OIL CONSERVATION DIVISION PO Box 2088 Santa Fe, NM 87504-2088 Form C-102 Revised February 10, 1994 Instructions on back

Submit to Appropriate District Office State Lease - 4 Copies

State Lease - 4 Copies
Fee Lease - 3 Copies

■ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT 'Pool Code 'Pool Name Diablo San Andres

Property Code

'Property Name

Hanlad "B" State

'Operator Name

10 Surface Location

	UL or lot no.	Section	Township	Range	Lot idn	Feet from the	North/South line	Feet from the	East/West line	County
1	L	22	10 S	27 E		1650	South	330	West	Chaves
	11 Bottom Hole Location If Different From Surface									
1	UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County

11 Dedicated Acres 12 Joint or Infill 14 Consolidation Code 12 Order No.

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

0	R A NON-STANDARD UNIT HAS B	EEN APPROVED BY THE DIVISION
16		17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief
		Butsy Speer
		Betsy Speer Printed Name Production Analyst Title 7-21-97 Date
L-62	278	18SURVEYOR CERTIFICATION
		I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.
€-0-330'		July 19, 1997 Date of Servey P. D.R. Patton Signsture and Scal-of-Repressional Surveyor:
1650'		Certificate Number 518N N 8112

marked 4 c. reteser to arteser

NEW MEXICO OIL CONSERVATION COMMISSION WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102 Supersedes C-128 Effective 1-1-65

All distances must be from the outer boundaries of the Section Operator Well No. HANSON OIL CORPORATION HANLAD STATE 10 SOUTH CHAVES Actual Footage Location of Well: 660 feet from the NORTH line and WEST feet from the Ground Level Elev. Producing Formation Dedicated Acreage: 3846.9 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? If answer is "yes," type of consolidation Yes If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission. CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Name Position Company Date LG-7425 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed JUNE 20TH, 1979 Registered Professional Engineer and/or Land Surveyor Certificate No. John 676

1 500

1000

80Q

STATE OF NEW MEXICO ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION

P. O. DOX 2088

Form C-102 Revised 10-1-

SANTA FE, NEW MEXICO 87501

AND DESCRIPTION OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN COLUMN TWO IS NAMED IN COLUM	and the same of th				
()perotor			Lease	Well No.	
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Unit Letter	Section -	Township	Ronge 27 Front	Chause	
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IL CONSERVATION DIVISION

STATE OF NEW MEXICO

P. O. DOX 2088

ENERGY AND MINERALS DEPARTMENT SANTA FE, NEW MEXICO 87501 All distances must be from the outer houndaries of the Section. Well No. Overator Hanlad State Hanson Operating Company County Unit Letter Section Chaves 10 South 27 East Actual Footage Location of Well: 610 feet from the 1650 · Irel Iron Ilio West North line and line Producing Formation Dedicated Acreoge: 3837 Diablo San Andres San Andres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below. 2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). 3. If more than one lense of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? If answer is "yes," type of consolidation. Yes If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)_ No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Division. CERTIFICATION I hereby certify that the Information contained herein is true and complete to the best of my knowledge and belief. Brenda R. Godfrey Position Production Analyst Hanson Operating Co., Inc. April 13, 1987 I hereby certify that the well location shown on this plat was platted from field notes of octual surveys made by me or under my supervision, and that the same Is true and correct to the best of my knowledge and belief 9 April Date Surveyed Patter P.R. Registered Profession and/or Land Silin



HANSON OPERATING FEOMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202/1515-07 _ | PHONE AC 505-622-7330

September 23, 2011

Mr. Will Jones New Mexico Oil Conservation Division 1220 S. St. Francis Drive Santa Fe, New Mexico 87505

RE: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage

Hanlad B State Battery and Hanlad State #1 Battery Wells

Sections 22, 27, 28-10S-27E Pool 17640 - Diablo San Andres Leases L-6278 and LG-7425 Chaves County, New Mexico

Dear Mr. Jones:

Please find attached the Administrative Application Checklist, OCD Form C-107B Application For Surface Commingling and OCD Form C-103 Sundry Notice requesting approval to permit a Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage for the above referenced wells.

The working interest, royalty interest and overriding royalty interest owners are diverse. Interest owners have been notified (See attached).

Please contact the undersigned at 575-622-7330 should you have any questions or require additional information.

Sincerely,

HANSON OPERATING COMPANY, INC.

Carol J. Smith

Production Analyst

Attachments