

DATE IN 10.10.11	SUSPENSE	ENGINEER RE	LOGGED IN 10.10.11	TYPE CTB	APP NO. 1128365570
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ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION
 - Engineering Bureau -
 1220 South St. Francis Drive, Santa Fe, NM 87505



PTB-W
HANSON
OP
9974
6 wells -

ADMINISTRATIVE APPLICATION CHECKLIST

THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

[NSL-Non-Standard Location] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☒ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify _____

Chaves State

22, 27, 28 105
27E

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☒ 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] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is **accurate** and **complete** to the best of my knowledge. I also understand that **no action** will be taken on this application until the required information and notifications are submitted to the Division.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Carol J. Smith
 Print or Type Name

Carol J. Smith
 Signature

Production Analyst
 Title

9/23/2011
 Date

hanson@dfn.com
 e-mail Address

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

State of New Mexico
Energy, Minerals and Natural Resources 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.

APPLICATION FOR SURFACE COMMINGLING (DIVERSE OWNERSHIP)

OPERATOR NAME: Hanson Operating Company, Inc.
OPERATOR ADDRESS: P. O. Box 1515, Roswell, NM 88202-1515
APPLICATION TYPE:

☐ Pool Commingling ☒ Lease Commingling ☐ Pool and Lease Commingling ☐ Off-Lease Storage and Measurement (Only if not Surface Commingled)

LEASE TYPE: ☐ Fee ☒ State ☐ Federal

Is this an Amendment to existing Order? ☐ Yes ☒ No If "Yes", please include the appropriate Order No. _____
Have the Bureau of Land Management (BLM) and State Land office (SLO) been notified in writing of the proposed commingling
☒ Yes ☐ No

(A) POOL COMMINGLING

Please attach sheets with the following information

(1) Pool Names and Codes	Gravities / BTU of Non-Commingled Production	Calculated Gravities / BTU of Commingled Production		Calculated Value of Commingled Production	Volumes

- (2) Are any wells producing at top allowables? ☐ Yes ☒ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☐ Yes ☐ No.
(4) Measurement type: ☐ Metering ☐ Other (Specify)
(5) Will commingling decrease the value of production? ☐ Yes ☐ No If "yes", describe why commingling should be approved

(B) LEASE COMMINGLING

Please attach sheets with the following information

- (1) Pool Name and Code. 17640 Diablo San Andres
(2) Is all production from same source of supply? ☒ Yes ☐ No
(3) Has all interest owners been notified by certified mail of the proposed commingling? ☒ Yes ☐ No
(4) Measurement type: ☐ Metering ☒ Other (Specify) Well test method

(C) POOL and LEASE COMMINGLING
Please attach sheets with the following information

- (1) Complete Sections A and E.

(D) OFF-LEASE STORAGE and MEASUREMENT
Please attached sheets with the following information

- (1) Is all production from same source of supply? ☒ Yes ☐ No
(2) Include proof of notice to all interest owners.

(E) ADDITIONAL INFORMATION (for all application types)
Please attach sheets with the following information

- (1) A schematic diagram of facility, including legal location.
(2) A plat with lease boundaries showing all well and facility locations. Include lease numbers if Federal or State lands are involved.
(3) Lease Names, Lease and Well Numbers, and API Numbers.

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

SIGNATURE: Carol J. Smith TITLE: Production Analyst DATE: 9/23/2011

TYPE OR PRINT NAME Carol J. Smith TELEPHONE NO.: 575-622-7330

E-MAIL ADDRESS: hanson@dfn.com

Submit 1 Copy To Appropriate District Office
District I - (575) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II - (575) 748-1283
811 S. First St., Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Rd., Aztec, NM 87410
District IV - (505) 476-3460
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy, Minerals and Natural Resources

Form C-103
Revised August 1, 2011

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

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 PROPOSALS.)		WELL API NO. See Attached
1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
2. Name of Operator Hanson Operating Company, Inc.		6. State Oil & Gas Lease No. L-6278 & LG-7425
3. Address of Operator P O Box 1515, Roswell, NM 88202-1515 575-622-7330		7. Lease Name or Unit Agreement Name Hanlad B State and Hanlad State Wells
4. Well Location Unit Letter _____ : _____ feet from the _____ line and _____ feet from the _____ line Section 22, 27, 28 Township 10S Range 27E NMPM Chaves County		8. Well Number See Attached
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		9. OGRID Number 9974
		10. Pool name or Wildcat 17640 Diablo San Andres <input checked="" type="checkbox"/>

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	P AND A <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	MULTIPLE COMPL <input type="checkbox"/>	CASING/CEMENT JOB <input type="checkbox"/>	
DOWNHOLE COMMINGLE <input type="checkbox"/>			
OTHER: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage		OTHER: <input type="checkbox"/>	

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).

Spud Date:

Rig Release Date:

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

SIGNATURE Carol J. Smith TITLE Production Analyst DATE 9/23/2011

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):

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

✓ (17640) DIABLO; SAN ANDRES OIL POOL

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 ✓
30-005-60930 ✓
30-005-63146 ✓

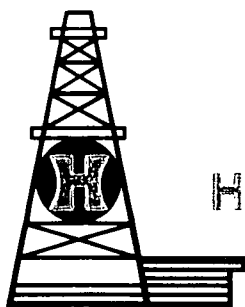
004985 Hanlad State #1 Battery
Lease LG-7425
POD 1062910

WELL
Hanlad State #1②
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 ✓

LOCATION of BANKS/SALES



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

McBride Minerals
P. O. Box 1515
Roswell, NM 88202-1515

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

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

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

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

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

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

All distances must be from the outer boundaries of the Section.

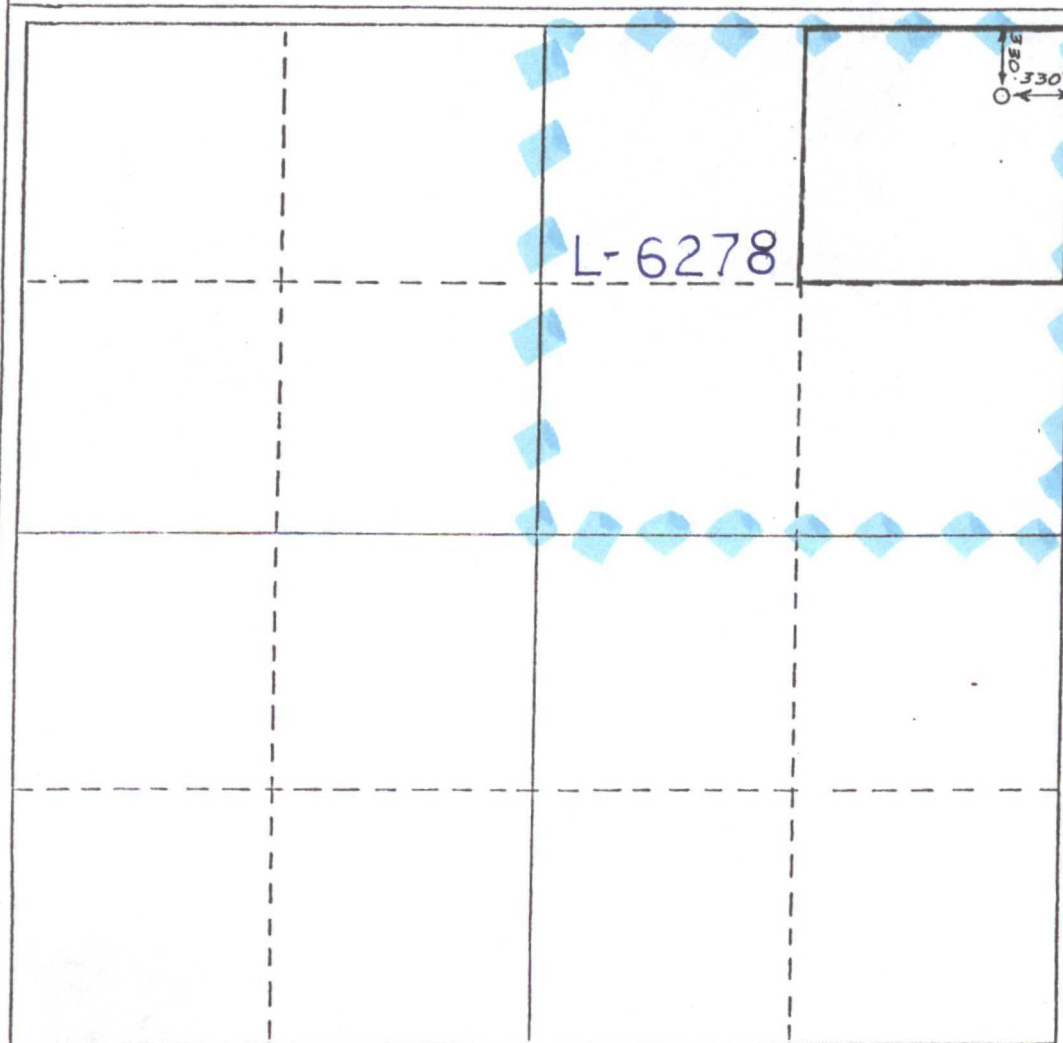
Operator Hanson Operating Company			Lease Hanlad "B" State		Well No. 2
Well Letter A	Section 28	Township 10 South	Range 27 East	County Chaves	
Actual Footage Location of Well: 330 feet from the North line and 330 feet from the East line					
Ground Level Elev. 3844	Producing Formation San Andres		Pool Diablo San Andres		Dedicated Acreage: 40 acres

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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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
Name

Brenda R. Godfrey

Position

Production Analyst

Company

Hanson Operating Co., Inc.

Date

September 22, 1987

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.

September 21, 1987

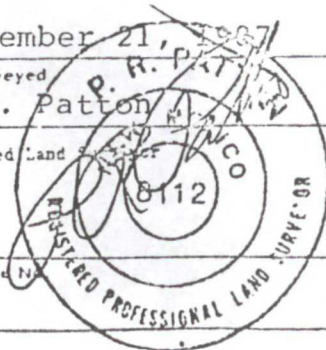
Date Surveyed

P. R. Patton

Registered Land Surveyor

8112

Certificate No.



0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600

All distances must be from the outer boundaries of the section.

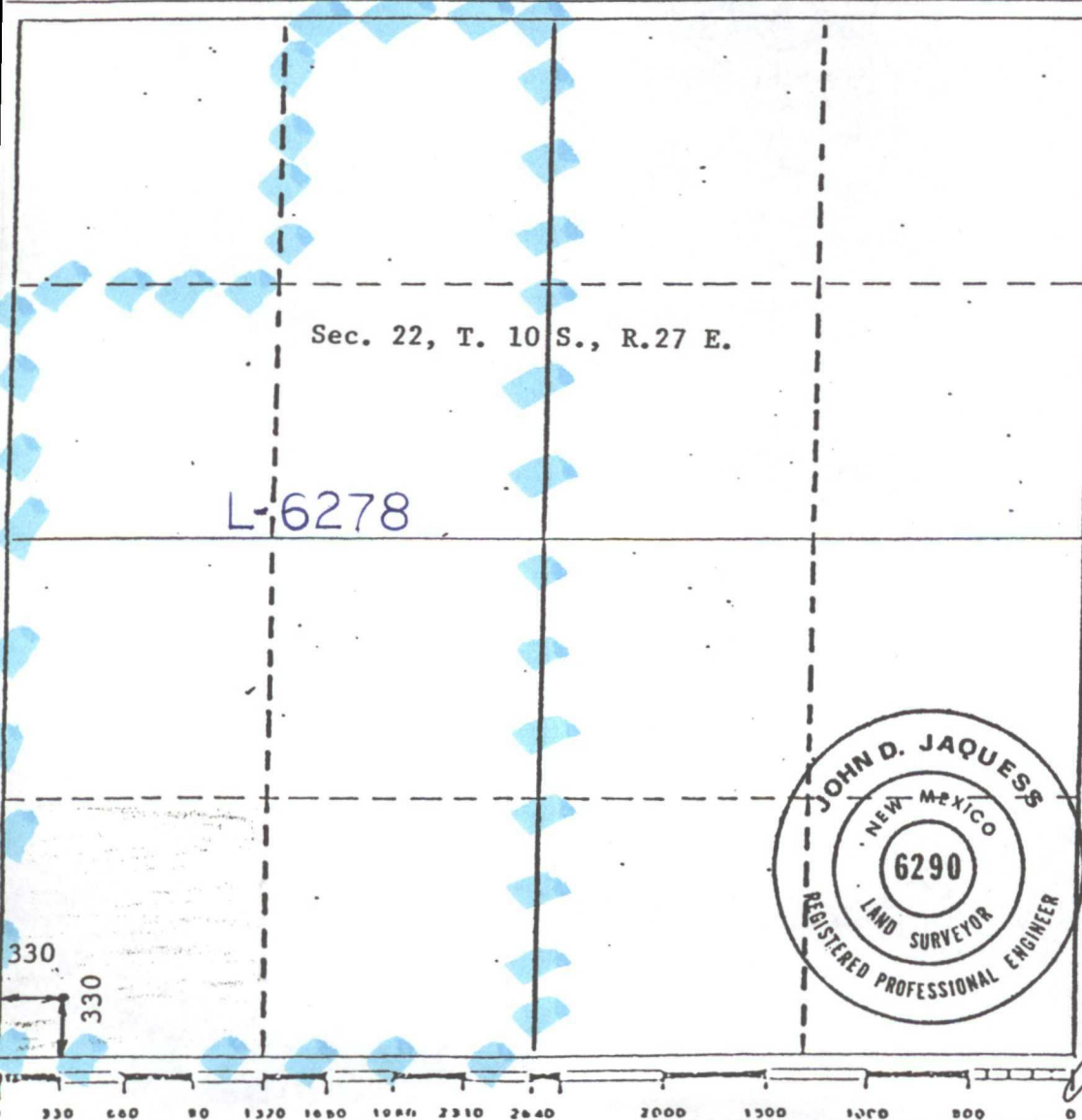
Operator Ralph Nix		Lease <i>Handad "B" State</i> Formerly - Cherry		Well No. #5	
Unit Letter 'M'	Section 22	Township 10 South	Range 27 East	County Chaves	
Actual Footage Location of Well: 330 feet from the South line and 330 feet from the West line					
Ground Level Elev. 3845	Producing Formation San Andres		Pool Diablo-San Andres	Dedicated Acreage: 40 Ac.	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.

Name

Position

Company

Ralph Nix

Date

March 24, 1981

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

March 18, 1981

Registered Professional Engineer and/or Land Surveyor

John D. Jaquess
John D. Jaquess, P.E. & L.S.

Certificate No.

6290

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

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
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
				Diablo San Andres	
4 Property Code		5 Property Name			6 Well Number
		Hanlad "B" State			7
7 OGRID No.		8 Operator Name			9 Elevation
9974		Hanson Operating Co.			3861

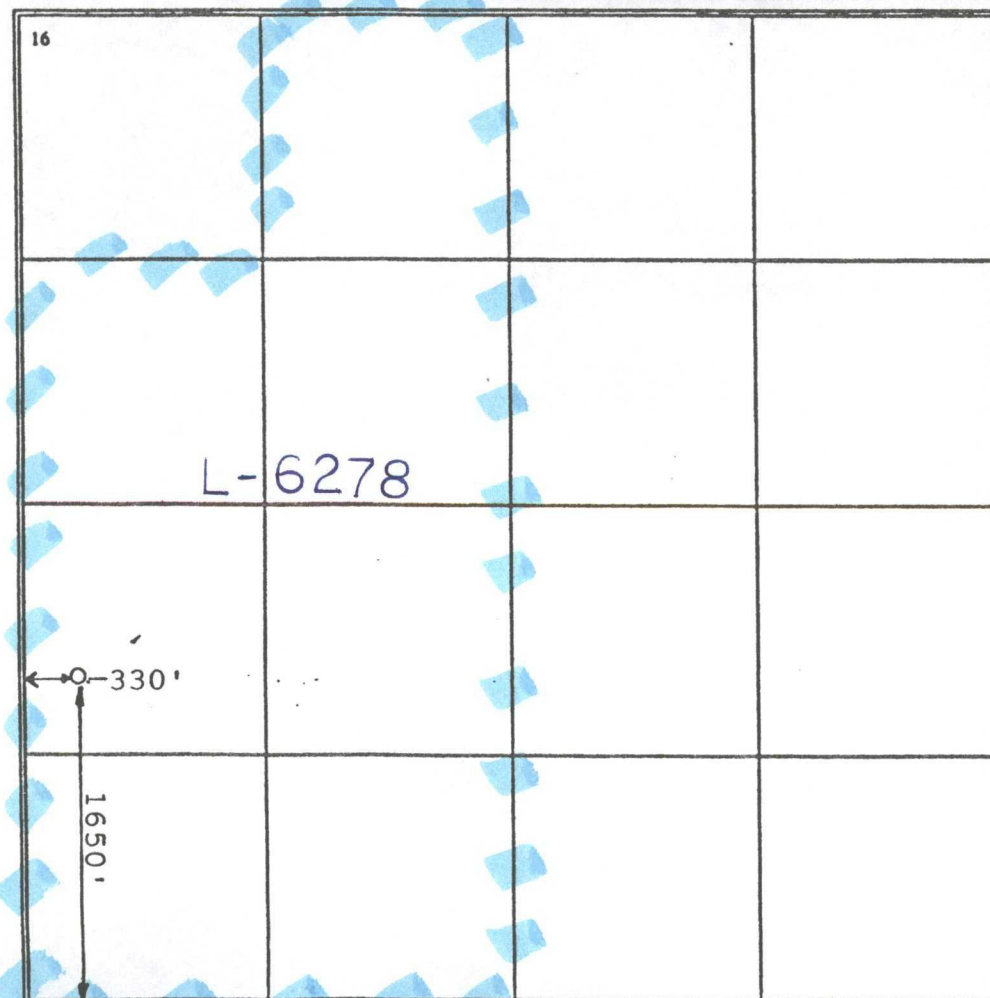
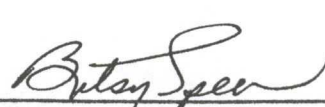
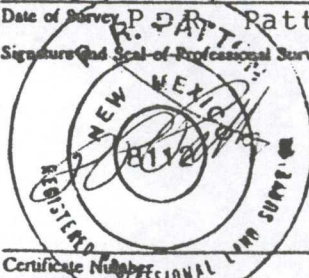
10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	22	10 S	27 E		1650	South	330	West	Chaves

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
12 Dedicated Acres		13 Joint or Infill		14 Consolidation Code		15 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

16				17 OPERATOR CERTIFICATION	
				I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief	
				Signature 	
				Printed Name Betsy Speer	
				Title Production Analyst	
				Date 7-21-97	
18 SURVEYOR CERTIFICATION					
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.					
July 19, 1997				Date of Survey	
P. D. Patton				Signature and Seal of Professional Surveyor:	
					
Certificate Number				8112	

mailed 4 c
to Artesia
7-21-97

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 HANSON OIL CORPORATION			Lease HANLAD STATE		Well No. 1
Unit Letter D	Section 27	Township 10 SOUTH	Range 27 EAST	County CHAVES	
Actual Footage Location of Well: 660 feet from the NORTH line and 660 feet from the WEST line					
Ground Level Elev. 3846.9	Producing Formation		Pool	Dedicated Acreage: Acres	

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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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

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

Ronald J. Eidson

Certificate No. **John W. West** 676

Ronald J. Eidson 3239

All distances must be from the outer boundaries of the Section.

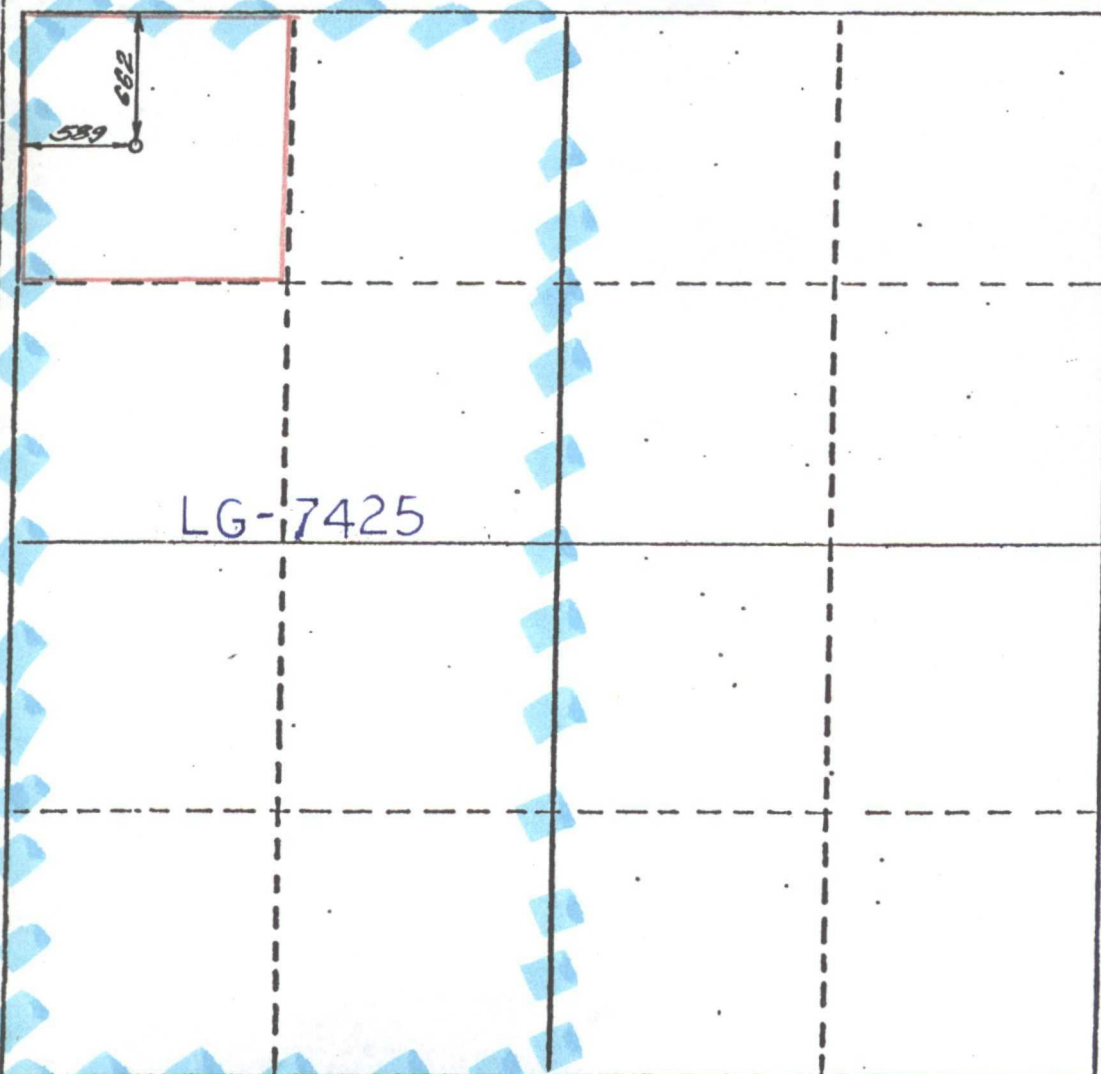
Operator Hanson Operating Company			Lease Hanlad State Battery #1		Well No. 4
Unit Letter D	Section 27	Township 10 South	Range 27 East	County Chaves	
Actual Postage Location of Well: 662 feet from the North line and 589 feet from the West line					
Ground Level Elev. 3838'	Producing Formation San Andres		Pool Diablo San Andres	Dedicated Acreage: 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hatchure 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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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
Name

Brenda R. Godfrey

Position

Production Analyst

Company

Hanson Operating Co., Inc.

Date

December 22, 1986

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.

December 20, 1986

Date Surveyed

P.R. Patton

Registered Professional Engineer
and/or Land Surveyor

8112

Certificate No.

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-102
Revised 10-1-7

All distances must be from the outer boundaries of the Section.

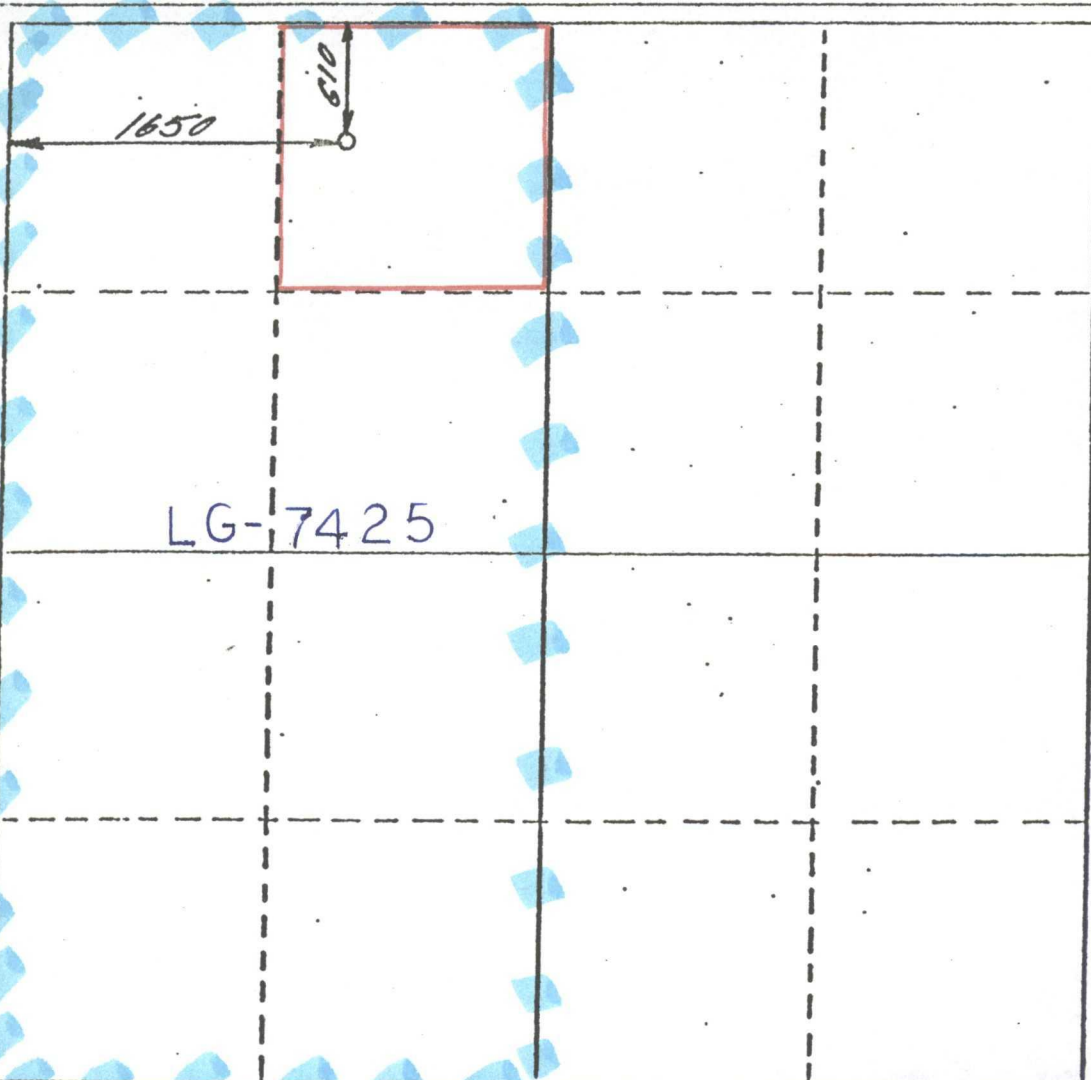
Operator Hanson Operating Company			Lease Hanlad State		Well No. 5
Unit Letter C	Section 27	Township 10 South	Range 27 East	County Chaves	
Actual Postage Location of Well:					
610 feet from the North		line and	1650	feet from the West	line
Ground Level Elev. 3837	Producing Formation San Andres		Pool Diablo San Andres		Dedicated Acreage: 40 Acres

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?

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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
Name

Brenda R. Godfrey

Position

Production Analyst

Company

Hanson Operating Co., Inc.

Date

April 13, 1987

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.

9 April 87

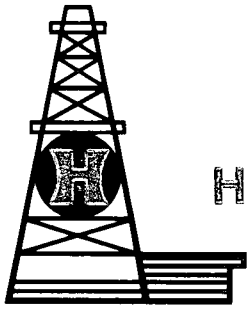
Date Surveyed

P.R. Patton

Registered Professional Engineer
and/or Land Surveyor

8112

Certificate No.



HANSON OPERATING COMPANY, INC.

P.O. BOX 1515

ROSWELL, NEW MEXICO 88202-1515

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