



#### GENERAL DESCRIPTION OF HOBBS CONSOLIDATION

1. Hobbs Central Battery: Treating system, salt water disposal and ACT for State B, Grimes, Sanger and Turner Leases. Lease production measurement, sampling, automatic well test and gas sales for the Grimes and State B Leases.
2. Sanger Remote: Lease Production measurement, sampling, automatic well test, and gas sales for the Turner and Sanger Leases. Oil and water will be transferred to Hobbs Central for treating and ACT.
3. Turner Test Header: Test header will serve the two Turner wells. Oil, water, and gas will be produced into the Sanger Remote for metering, well test, and gas sales. Well test will be manual for Turner wells.
4. McKinley Central Battery: Treating system, salt water disposal, ACT, lease production measurement, sampling, automatic well test and gas sales for both McKinley A and B Leases.
5. McKinley "B" Remote Header: Four well automatic header controlled from McKinley Central. Each well will purge test line 24 hours before passing through test separator at McKinley Central.