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ABOVE THIS TABLE FOR OCD DIVISION USE ONLY

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



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

Applicant: Mustang Resources, LLC **OGRID Number:** 373495
Well Name: LV Hamner B1 **API:** 30-045-07900
Pool: Otero Chacra **Pool Code:** 82329

SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED BELOW

- 1) **TYPE OF APPLICATION:** Check those which apply for [A]
- A. Location – Spacing Unit – Simultaneous Dedication
☐ NSL ☐ NSP (PROJECT AREA) ☐ NSP (PRORATION UNIT) ☐ SD
- B. Check one only for [I] or [II]
- [I] Commingling – Storage – Measurement
☐ DHC ☐ CTB ☒ PLC ☐ PC ☐ OLS ☐ OLM
- [II] Injection – Disposal – Pressure Increase – Enhanced Oil Recovery
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR
- 2) **NOTIFICATION REQUIRED TO:** Check those which apply.
- A. ☐ Offset operators or lease holders
 B. ☒ Royalty, overriding royalty owners, revenue owners
 C. ☐ Application requires published notice
 D. ☐ Notification and/or concurrent approval by SLO
 E. ☒ Notification and/or concurrent approval by BLM
 F. ☐ Surface owner
 G. ☒ For all of the above, proof of notification or publication is attached, and/or,
 H. ☐ No notice required
- 3) **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.

FOR OCD ONLY

- ☐ Notice Complete
☐ Application Content Complete

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

Darlene Tadlock

4/18/2019

Date

Print or Type Name

505-334-9111

Phone Number

Signature

dtadlock@mustangresourcesllc.com

e-mail Address

Mustang Resources, LLC (Mustang) requests approval to surface commingle the LV Hamner B1 (30-045-07900) with the A.B. Geren 6 (30-045-27362). The purpose is to prevent premature abandonment of the LV Hamner B1 due to low pressure and volume, and to reduce excess compressor engine emissions. We plan on conducting a flow test to determine if volumes will warrant installing permanent facilities and prevent premature abandonment. Please see the attached program.

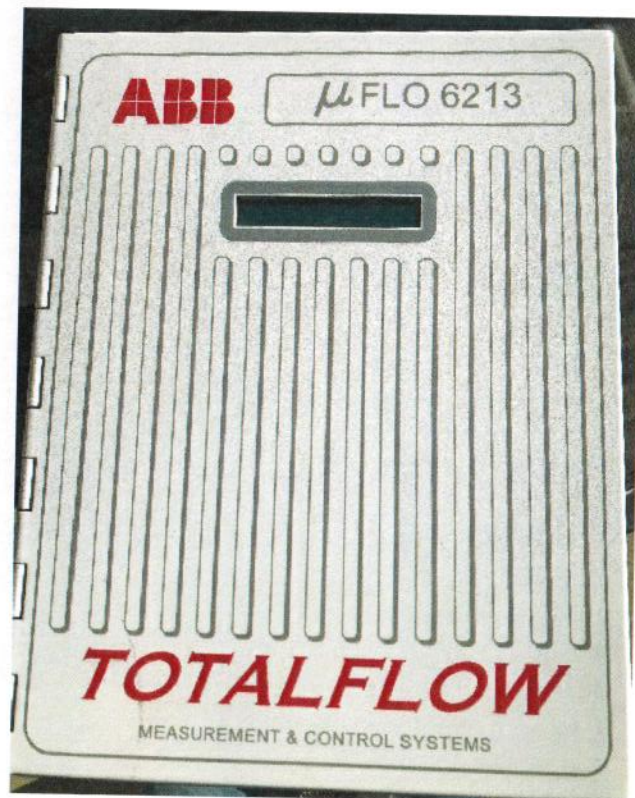
Mustang Resources, LLC

Surface Commingle Project

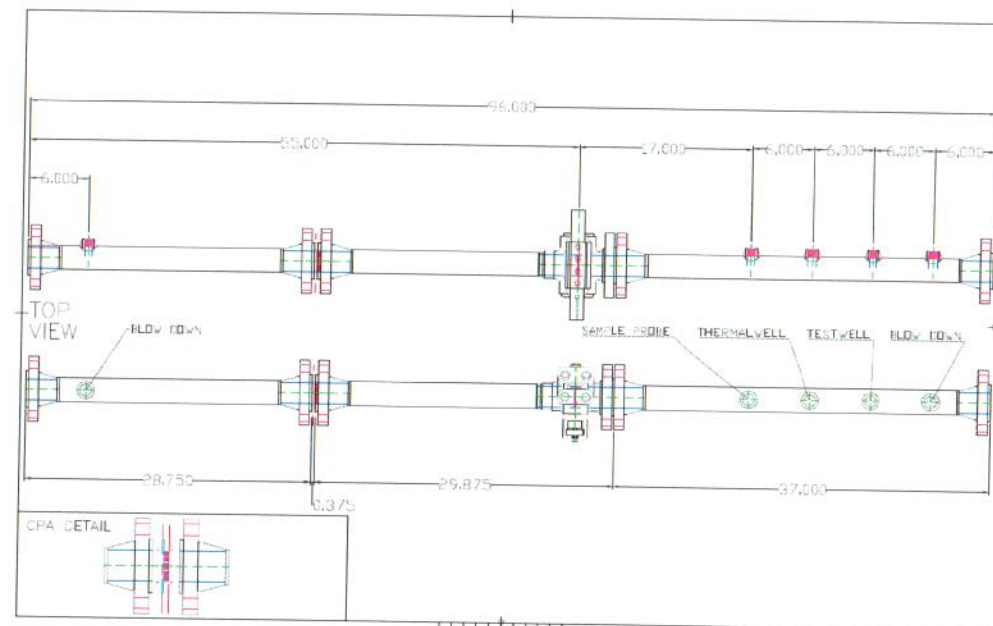
The purpose of Mustang's Surface Commingle Project is to prevent premature abandonment of low pressure and volume wells based on economic conditions and to reduce excess compressor engine emissions. We plan on conducting a flow test to determine if volumes will warrant installing permanent facilities and prevent premature abandonment. All measurement facilities will be installed to BLM guidelines. The project will include the following:

1. Run 3000 feet of 2-3/8", J55, 4.7# tubing.
2. Install new 2" meter tube, with JR fitting, prior to suction of existing compressor on adjacent well pad.
3. Install TOTALFLOW ABB μ FLO6213 EFM meter with solar power, calibrated to BLM Specs.
4. Wells are completed in different intervals with different spacing allocations. TOTAL FLOW allocation meters will be utilized to calculate volume at the wellhead. Existing Williams or Enterprise meter will be used as CDP to measure total compressed and measured volume.
5. Piping installed will be 2" SDR7 Poly lines, buried only where traffic would cross over lines. Existing lines will be utilized as much as possible.
6. All facilities will be installed on Lease and within existing well pad or existing ROW's.
7. See specific details on the following pages for line and meter tube installations.

Sample photo of EFM Housing



Sample Schematic of 2" Meter Tube



LV Hamner B1

API #: 3004507900

Lease #: SF-080245B

Sec 29, 29N, 9W (B)

990' FNL & 1650' FEL

A.B. Geren 6

API #: 3004527362

Lease #: SF-080245B

Sec 29, 29N, 9W (B)

995' FNL & 1690' FEL

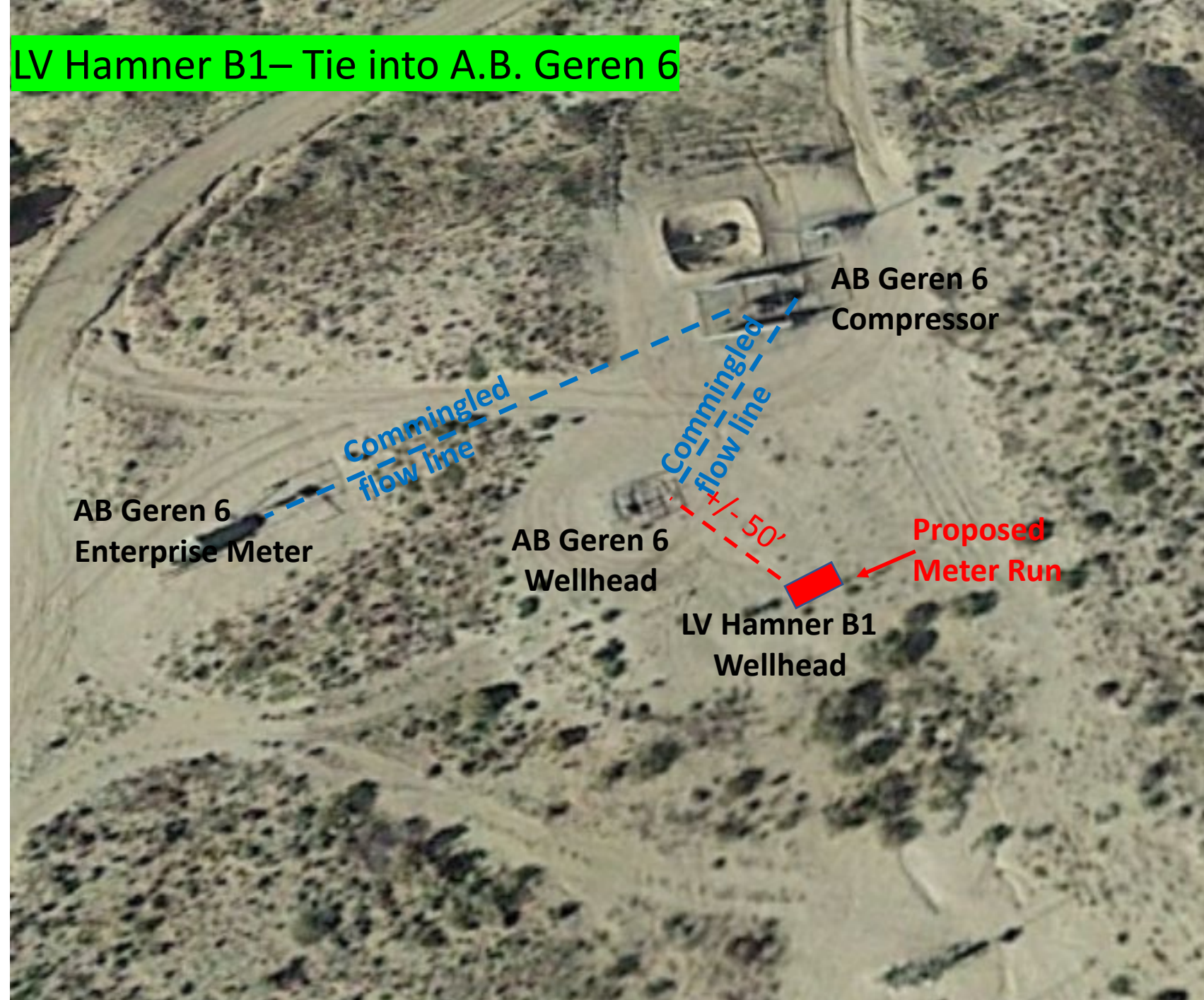
Notes:

1. Proposed line will be within existing well pad(s)
2. LV Hamner B1 meter run will be installed next to Wellhead and tie into suction line to compressor at AB Geren 6 Wellhead

— Existing ROW (Flow line)

- - Proposed flow line

LV Hamner B1– Tie into A.B. Geren 6



Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

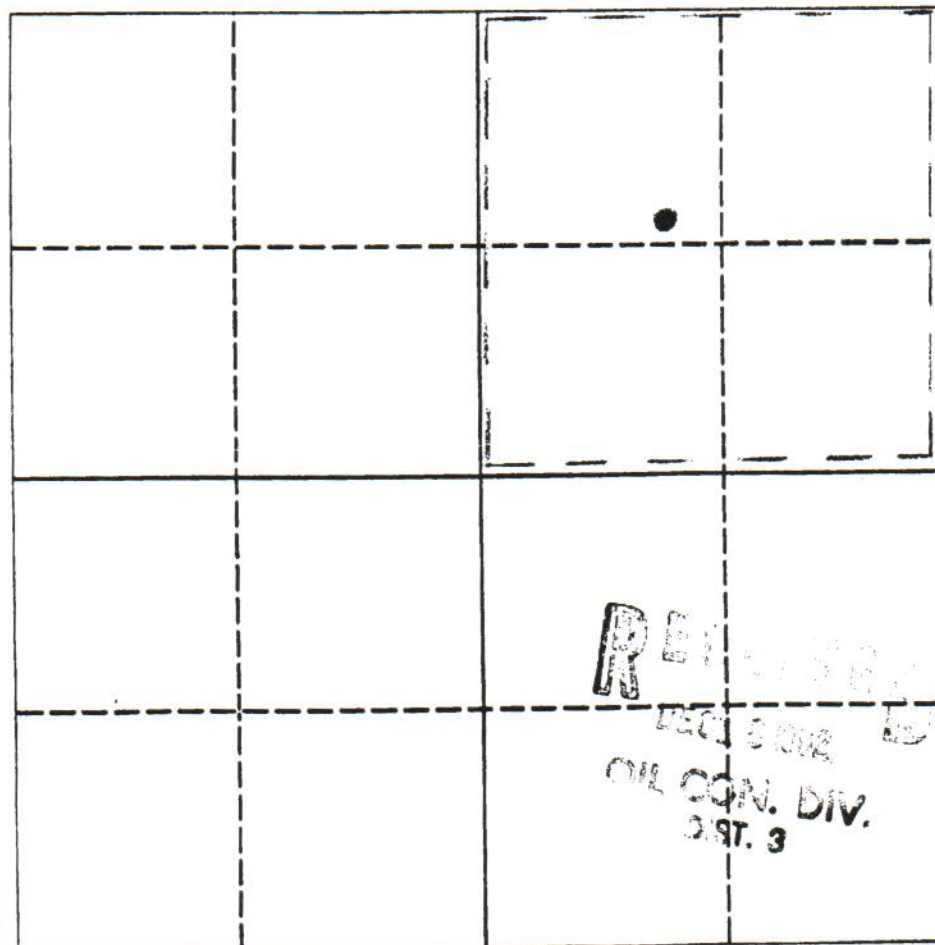
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator D. J. Simmons, et al		Lease Laura V. Hamner		Well No. B #1
Unit Letter B	Section 29	Township T29N	Range R9W NMPM	County San Juan
Actual Footage Location of Well: 990 feet from the North line and 1650 feet from the East line				
Ground level Elev. 5839	Producing Formation Chacra	Pool Otero Chacra	Dedicated Acreage: 160 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 interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
☒ Yes ☐ No If answer is "yes" type of consolidation Federal Lease
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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature

Joe A. Wilbanks

Printed Name

Joe A. Wilbanks

Position

Engineer Manager

Company

On Site Tech., LTD.

Date

12-16-92

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 knowledge and belief.

Date Surveyed

Signature & Seal of
Professional Surveyor

Certificate No.

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

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Santa Fe, New Mexico 87504-2088

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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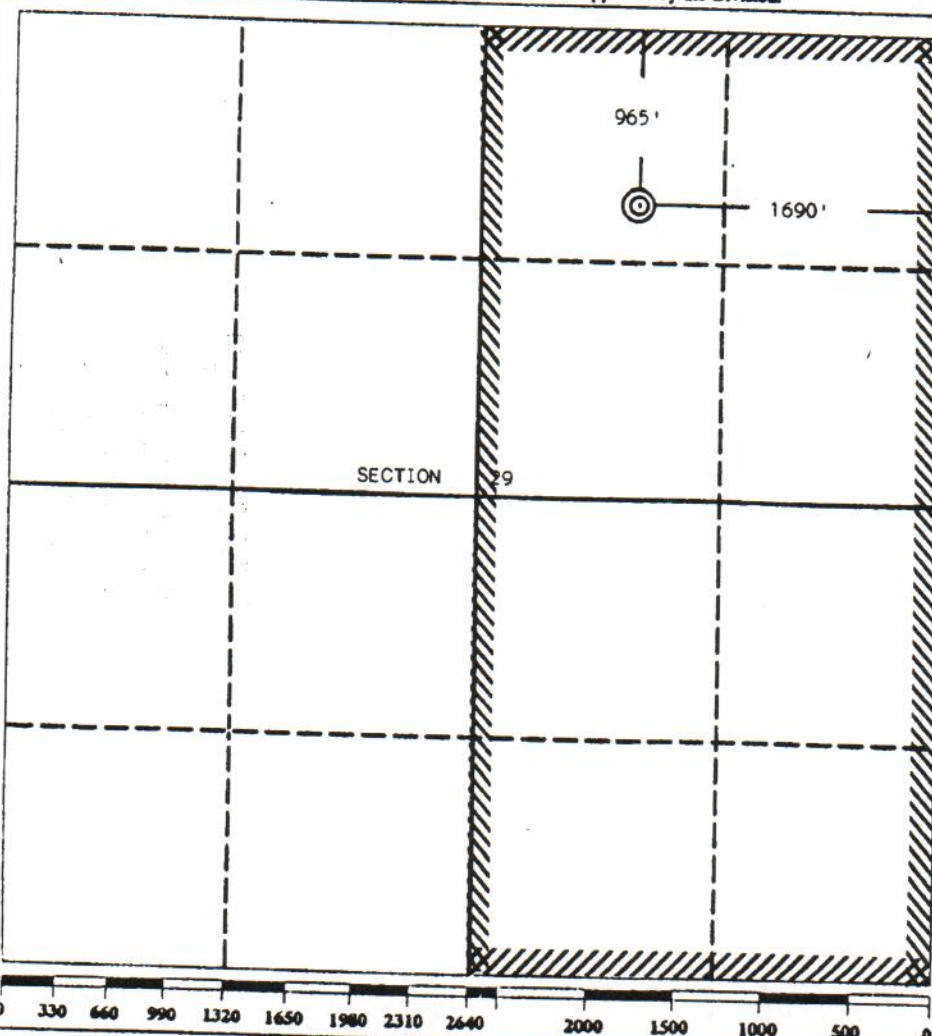
DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator D. J. Simmons			Lease A. B. Geren		Well No. #6
Unit Letter B	Section 29	Township 29 North	Range 9 West	County San Juan	
Actual Footage Location of Well: 965 feet from the North line and 1690 feet from the East line					
Ground level Elev. 5824	Producing Formation FRUITLAND		Pool BASIN FRUITLAND	Dedicated Acreage: 320 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 interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
ROD PINKETT
Printed Name
PETROLEUM ENGINEER
Position
D. J. SIMMONS CO.
Company
APRIL 14, 1989
Date

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 knowledge and belief.

Date Surveyed
April 5, 1989

Signature & Seal of
Professional Surveyor
EDGAR L. RISENHOVER
NEW MEXICO
1979
Edgar L. Risenhover

**L V Hamner B 1 Commingle
Production Data**

Period	User Ref	Days On	Oil	Gas	Water
2/1/2019	A. B. GEREN #6	28	0	1724.24	0
1/1/2019	A. B. GEREN #6	31	0	1844.98	0
12/1/2018	A. B. GEREN #6	31	0	1969.98	0
11/1/2018	A. B. GEREN #6	30	0	1907.4	0
10/1/2018	A. B. GEREN #6	31	0	2173.98	0
9/1/2018	A. B. GEREN #6	30	0	2110.4	0

Period	User Ref	Days On	Oil	Gas	Water
2/1/2019	L V Hamner B 1	0	0	0	0
1/1/2019	L V Hamner B 1	0	0	0	0
12/1/2018	L V Hamner B 1	0	0	0	0
11/1/2018	L V Hamner B 1	0	0	0	0
10/1/2018	L V Hamner B 1	0	0	0	0
9/1/2018	L V Hamner B 1	0	0	0	0

Entity Name	Certified	Date Mailed	Well Name	Well Name	Well Name	Well Name	Well Name	Well Name	Well Name	Well Name
ALLISON ANDREW COMBINATION TR	7019 0140 0000 8069 4667	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
ATLANTIC PARTNER	7019 0140 0000 8069 4674	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
LORELIE VON SCHILLING	7019 0140 0000 8069 4681	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
SUSAN BRACKEN	7019 0140 0000 8069 4698	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
CHERYL ANDREW DUFF COMBINATION TRUST	7019 0140 0000 8069 4704	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
ENDURING RESOURCES IV, LLC	7019 0140 0000 8069 4711	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
GB SAFEWAY PROPERTY LTD	7019 0140 0000 8069 4728	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
GEMOCO LTD	7019 0140 0000 8069 4735	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
CLAUDIA LUNDELL GILMER	7019 0140 0000 8069 4742	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
GRAYFORE PARTNERS LP	7019 0140 0000 8069 4759	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
SAMUEL D HAAS	7019 0140 0000 8069 4766	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
DAVID FRANK HENDERSON JR	7019 0140 0000 8069 4773	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C		LV Hamner B1	
KATHLEEN HERD COMBINATION TRUST	7019 0140 0000 8069 4780	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
IRISH FAMILY PROPERTIES LLC	7019 0140 0000 8069 4797	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
BETTY T. JOHNSTON MARITAL TRUST	7019 0140 0000 8069 4803	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
VA JOHNSTON, LTD	7019 0140 0000 8069 4827	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
LAINLIFE ASSOCIATES	7019 0140 0000 8069 4834	4/15/2019	Simmons 3	Simmons 4	Simmons 5					
KAREN LAWRENCE COMBINATION TR	7019 0140 0000 8069 4841	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
LHB CAPITAL PARTNERS, LLC	7019 0140 0000 8069 4858	4/15/2019	Simmons 3	Simmons 4	Simmons 5					
LINDA LUNDELL LINDSEY	7019 0140 0000 8069 4506	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
JUNE SIMMONS LIVELY	7019 0140 0000 8069 4513	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C		LV Hamner B1	
ROBERT WALTER LUNDELL	7019 0140 0000 8069 4520	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
KRISTEN MCLENDON	7019 0140 0000 8069 4537	4/15/2019	Simmons 3	Simmons 4	Simmons 5					
GORDON B. MCLENDON	7019 0140 0000 8069 4544	4/15/2019	Simmons 3	Simmons 4	Simmons 5			AB Geren #2		AB Geren #6
KRISTEN M MCLENDON TRUST	7019 0140 0000 8069 4551	4/15/2019	Simmons 3	Simmons 4	Simmons 5					
DR. ANNA GRAY NOE	7019 0140 0000 8069 4568	4/15/2019	Simmons 3	Simmons 4	Simmons 5			AB Geren #2		AB Geren #6
NOE OIL JUST GAS HOLDING LLC	7019 0140 0000 8069 4575	4/15/2019	Simmons 3	Simmons 4	Simmons 5			AB Geren #2		AB Geren #6
PIONEER ASSOCIATES LTD PARTNERSHIP	7019 0140 0000 8069 4582	4/15/2019	Simmons 3	Simmons 4	Simmons 5					
ESTATE OF JEAN ASHLEY REESE	7019 0140 0000 8069 4599	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C		LV Hamner B1	
ROGERS-GIBBARD TRUST	7019 0140 0000 8069 4605	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
MARY JEANNE SIMMONS BANKS	7019 0140 0000 8069 4612	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
SAN JUAN BASIN POOL LTD	7019 0140 0000 8069 4629	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
SAN JUAN ROYALTY PARTNERS LLC	7019 0140 0000 8069 4636	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
CAROLEE SIMMONS SMITH	7019 0140 0000 8069 4643	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
M SEAN SMITH	7019 0140 0000 8069 4650	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
JEAN ASHLEY WARD CARTER	7019 0140 0000 8069 4209	4/15/2019						AB Geren #2		AB Geren #6
LISA LIVELY CHRISTENSEN	7019 0140 0000 8069 4216	4/15/2019						AB Geren #2		AB Geren #6
BARBARA R. DINGES	7019 0140 0000 8069 4230	4/15/2019						AB Geren #2		AB Geren #6
VA JOHNSTON LTD	7019 0140 0000 8069 4247	4/15/2019	Simmons 3	Simmons 4	Simmons 5	Simmon E2A	Simmons E3C	AB Geren #2	LV Hamner B1	AB Geren #6
EDD O. LIVELY	7019 0140 0000 8069 4254	4/15/2019						AB Geren #2		AB Geren #6
ESTATE OF KRISTEN MARGARET MCLENDON	7019 0140 0000 8069 4261	4/15/2019						AB Geren #2		AB Geren #6
ANNA WARD OELKRUG	7019 0140 0000 8069 4278	4/15/2019						AB Geren #2		AB Geren #6
DAVID E. REESE	7019 0140 0000 8069 4285	4/15/2019						AB Geren #2		AB Gerren #6
ELIZABETH GOODWIN REESE	7019 0140 0000 8069 4292	4/15/2019						AB Geren #2		AB Gerren #6
KAREN LIVELY VANDIVER	7019 0140 0000 8069 4308	4/15/2019						AB Geren #2		AB Gerren #6
GUY DAVID WARD	7019 0140 0000 8069 4315	4/15/2019						AB Geren #2		AB Gerren #6
TIMOTHY WINSTON WARD	7019 0140 0000 8069 4322	4/15/2019						AB Geren #2		AB Gerren #6
L. DORIS WILLIAMS TRUST	7019 0140 0000 8069 4339	4/15/2019						AB Geren #2		AB Gerren #6
JAMES A. & L. DORIS WILLIAMS SCHOLARSHIP FDN	7019 0140 0000 8069 4346	4/15/2019						AB Geren #2		AB Gerren #6



April 12, 2019

Dr. Anna Gray Noe
5205 Bromely Dr.
Corpus Christi, TX 78413

SENT BY Certified U.S. MAIL 7018 1130 0001 6907 0239

**RE: Simmons #3, #4, #5 Surface Commingle Project
Section 23, Township 29 North, Range 9 West
San Juan County, NM**

Dear Owner,

Mustang Resources, LLC ("Mustang") is the new/current Operator of the Simmons #3, #4 and #5 wells located San Juan County, NM. Mustang will be initiating a Surface Commingle Project, which includes the above described wells, with the purpose of preventing premature abandonment of these low pressure/volume wells while reducing excess compressor engine emissions.

To optimize the performance of the wells, Mustang will be conducting the following operations:

- 1) Simmons #3: Tie into the A.B Geren 2 existing compressor; add new meter so production from each well is monitored separately; proposed line will be within existing ROW's or on well pad(s).
- 2) Simmons #4: Tie into the Simmons E2A existing compressor; add new meter so production from each well is monitored separately; proposed line will be within existing ROW's or on well pad(s).
- 3) Simmons #5: Tie into the Simmons E3C existing compressor; add new meter so production from each well is monitored separately; proposed line will be within existing ROW's or on well pad(s).

If you have any questions regarding the above operations please contact me at 720-550-7507, ext. 106.

Regards,

Rick Madison
Mustang Energy Resources, LLC
1660 Lincoln St., Suite 1450
Denver, CO 80264
rmadison@mustangresourcesllc.com