

ABOVE THIS LINE FOR DIVISION USE ONLY

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



*PTW*  
*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.

<u>Carol J. Smith</u> Print or Type Name	<u><i>Carol J. Smith</i></u> Signature	<u>Production Analyst</u> Title	<u>9/23/2011</u> Date
		<u>hanson@dfn.com</u> 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.) 1. Type of Well: Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/>		WELL API NO. See Attached
2. Name of Operator Hanson Operating Company, Inc.		5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
3. Address of Operator P O Box 1515, Roswell, NM 88202-1515 575-622-7330		6. State Oil & Gas Lease No. L-6278 & LG-7425
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		7. Lease Name or Unit Agreement Name Hanlad B State and Hanlad State Wells
11. Elevation (Show whether DR, RKB, RT, GR, etc.)		8. Well Number See Attached
12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data		9. OGRID Number 9974
NOTICE OF INTENTION TO: PERFORM REMEDIAL WORK <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> CHANGE PLANS <input type="checkbox"/> PULL OR ALTER CASING <input type="checkbox"/> MULTIPLE COMPL <input type="checkbox"/> DOWNHOLE COMMINGLE <input type="checkbox"/>  OTHER: Central Tank Battery, Lease Commingle, Off Lease Measurement, Sales & Storage		10. Pool name or Wildcat 17640 Diablo San Andres <input checked="" 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

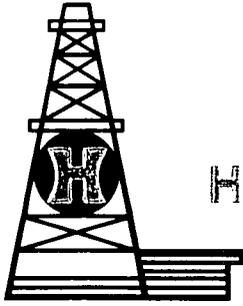
LOCATION

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

8 Tr 6  
 Yates Pet (OP) BARRA-CUDA ST. UT.  
 Exchange O&G Chisos, Ltd. J.P. White, Jr. et al  
 Elk Oil 10-2-2006, 8-27-2006  
 Exchange O&G Chisos, Ltd. L.E. Minerals

17 Tr 9  
 Yates Pet et al 9-1-2004 VA 2033 15 63  
 R.L. Lusk Surf. St. Penrose Disc  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al  
 Exchange O&G Chisos, Ltd. L.E. Minerals  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al

20 MIDLAND MAP  
 Yates Pet et al 11-1-2004 VA 2035 15 63  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al  
 Exchange O&G Chisos, Ltd. L.E. Minerals  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al

29  
 Yates Pet et al 11-1-2004 VA 2076 15 63  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al  
 Exchange O&G Chisos, Ltd. L.E. Minerals  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al

32  
 Yates Pet et al 6-1-2004 VA 1985 15 63  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al  
 Exchange O&G Chisos, Ltd. L.E. Minerals  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al

2  
 Yates Pet et al 6-1-2006 V. 6239 16 64  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al  
 Exchange O&G Chisos, Ltd. L.E. Minerals  
 Exchange O&G Chisos, Ltd. J. White, Jr. et al

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

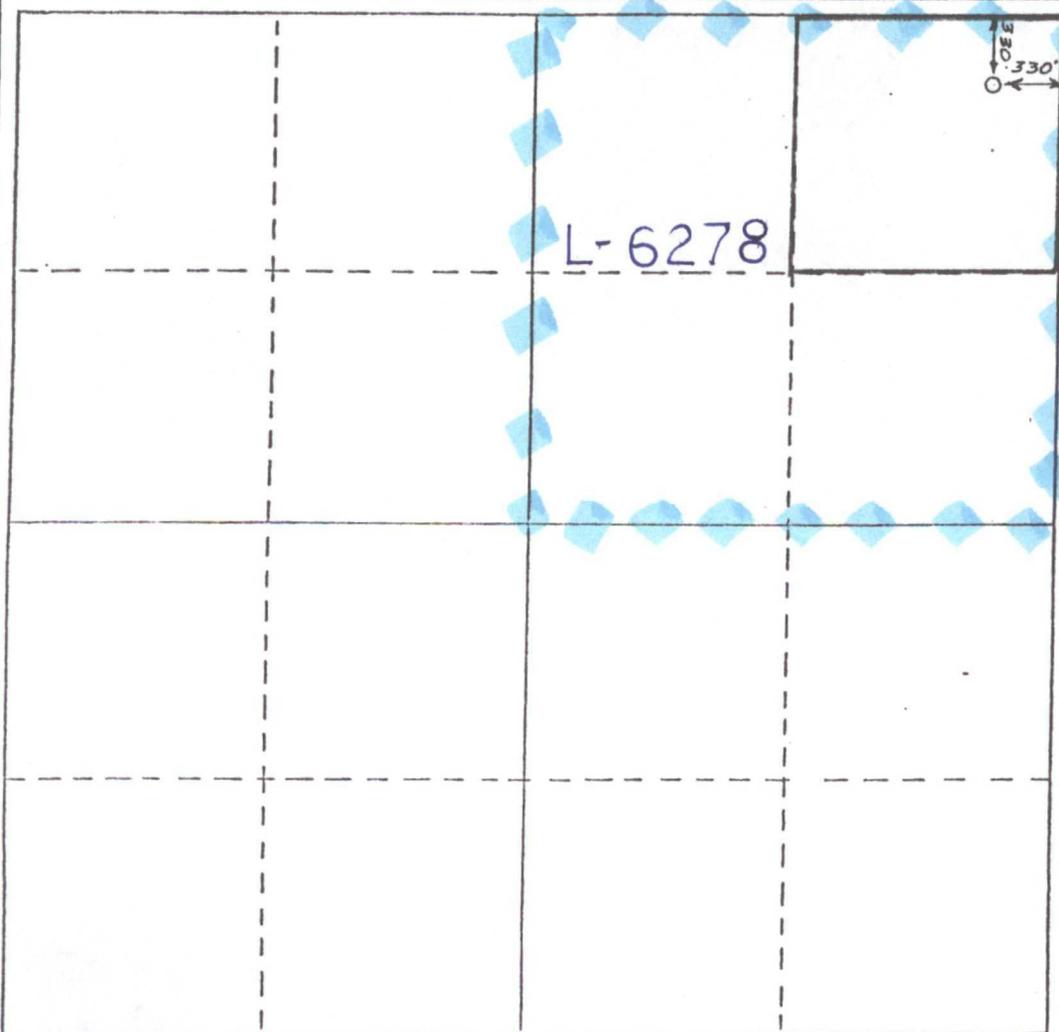
Operator <b>Hanson Operating Company</b>		Lease <b>Hanlad "B" State</b>			Well No. <b>2</b>
Well Letter <b>A</b>	Section <b>28</b>	Township <b>10 South</b>	Range <b>27 East</b>	County <b>Chaves</b>	
Actual Footage Location of Well: <b>330 feet from the North line and 330 feet from the East line</b>	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

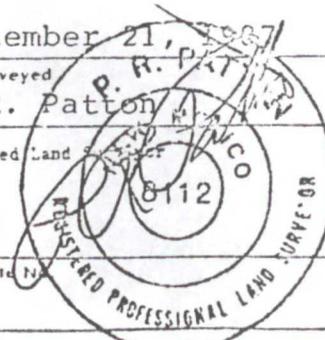
September 21, 1987  
Date Surveyed

*P. R. Patton*  
Registered Land Surveyor

8112  
Certificate No.

8112

Certificate No.



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

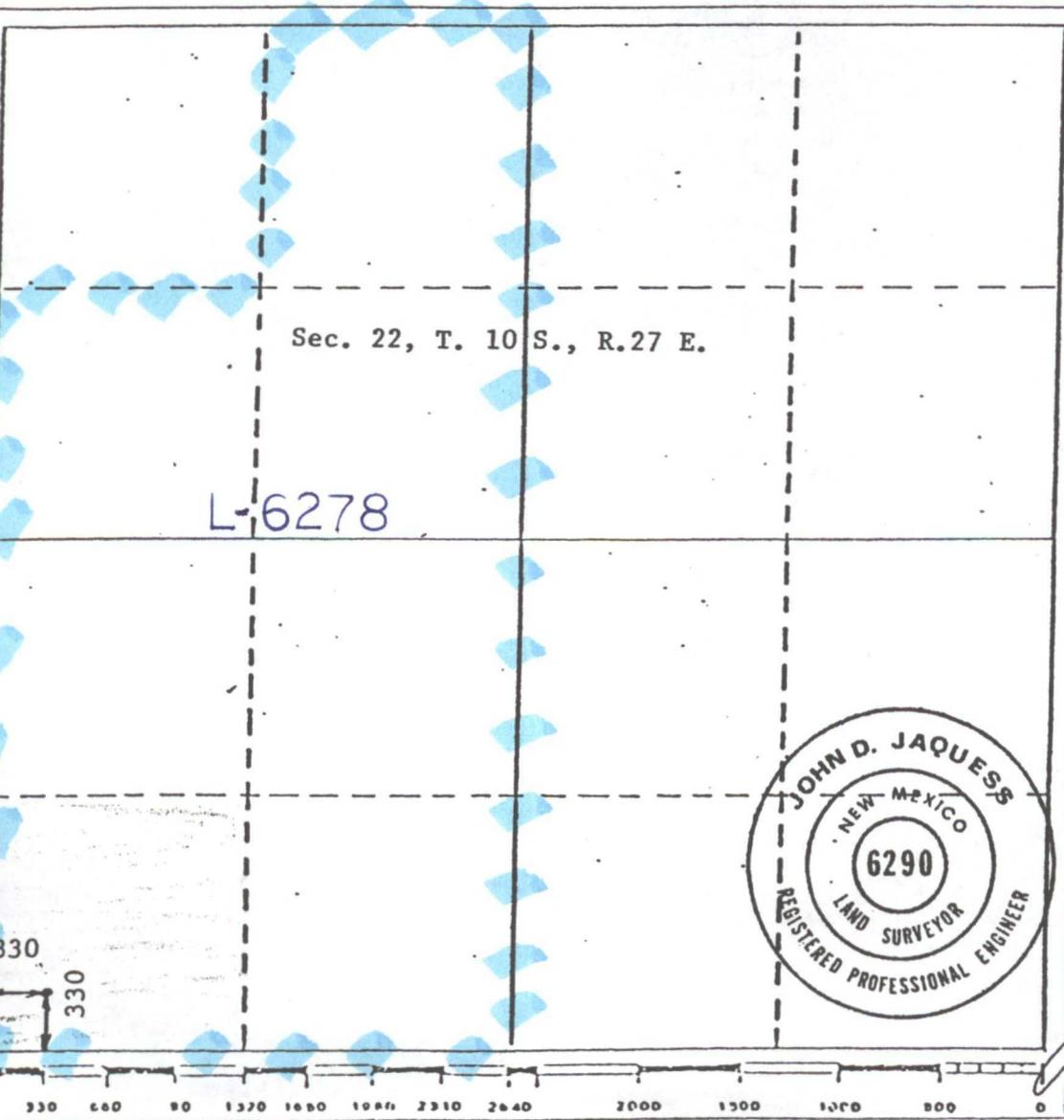
Operator <b>Ralph Nix</b>		Lease <i>Handed "B" State</i> <b>Formerly-Cherry</b>		Well No. <b>#5</b>
Unit Letter <b>'M'</b>	Section <b>22</b>	Township <b>10 South</b>	Range <b>27 East</b>	County <b>Chaves</b>
Actual Postage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>330</b> feet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

*Ralph Nix*  
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 Bravo Rd., Aztec, NM 87410  
 District IV  
 PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
 Energy, Minerals & Natural Resources Department

Form C-102  
 Revised February 10, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

OIL CONSERVATION DIVISION  
 PO Box 2088  
 Santa Fe, NM 87504-2088

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 Hanlad "B" State			6 Well Number 7
7 OGRID No. 9974		8 Operator Name Hanson Operating Co.			9 Elevation 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>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</i>   Signature Betsy Speer Printed Name Production Analyst Title 7-21-97 Date
	18 SURVEYOR CERTIFICATION <i>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.</i>  July 19, 1997 Date of Survey P. D. R. 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 <b>HANSON OIL CORPORATION</b>			Lease <b>HANLAD STATE</b>		Well No. <b>1</b>
Unit Letter <b>D</b>	Section <b>27</b>	Township <b>10 SOUTH</b>	Range <b>27 EAST</b>	County <b>CHAVES</b>	
Actual Footage Location of Well: <b>660</b> feet from the <b>NORTH</b> line and <b>660</b> feet from the <b>WEST</b> line					
Ground Level Elev. <b>3846.9</b>	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.

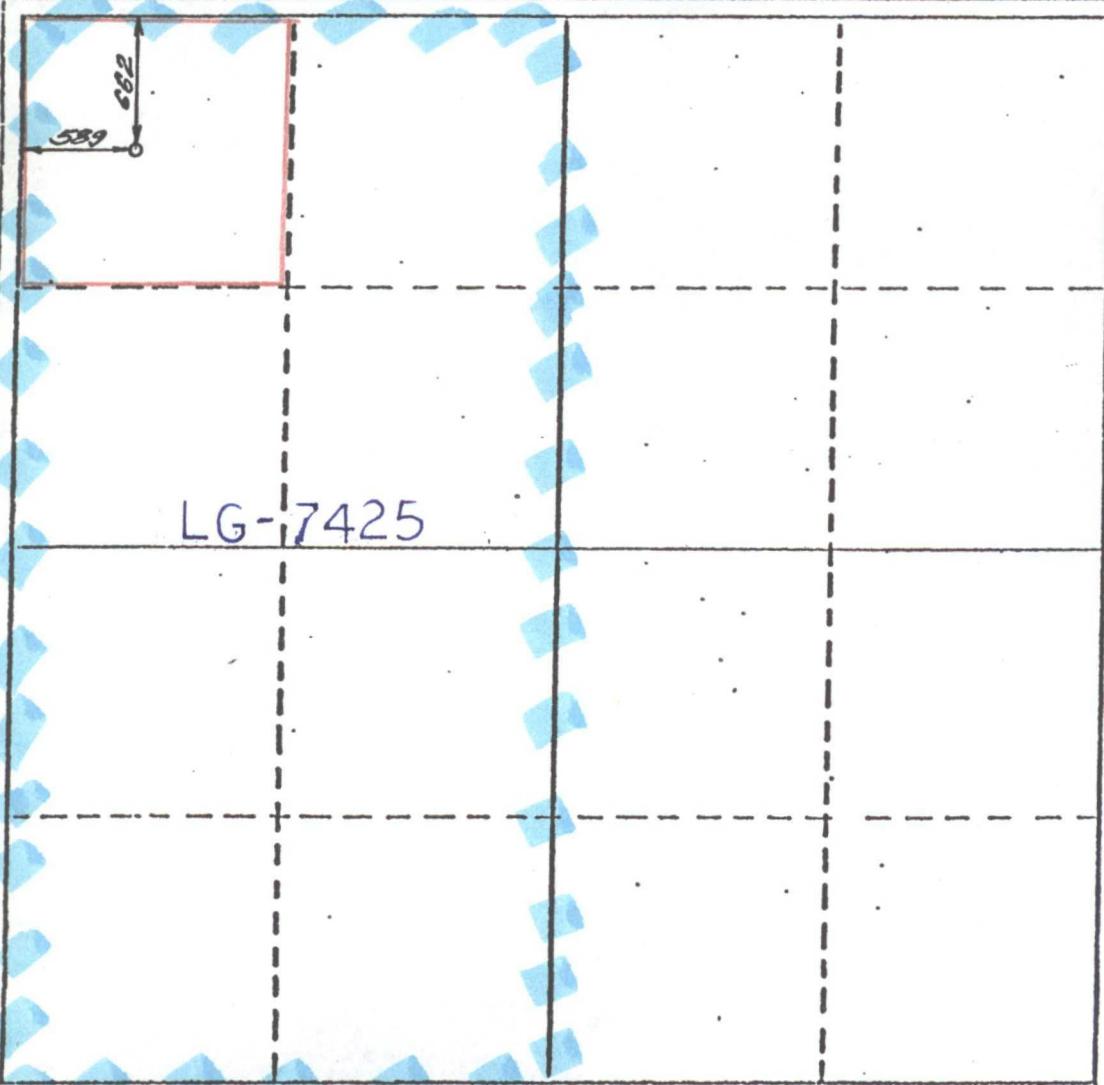
Operator <b>Hanson Operating Company</b>		Lease <b>Hanlad State Battery #1</b>		Well No. <b>4</b>
Unit Letter <b>D</b>	Section <b>27</b>	Township <b>10 South</b>	Range <b>27 East</b>	County <b>Chaves</b>
Actual Postage Location of Well: <b>662</b> feet from the <b>North</b> line and <b>589</b> feet from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

P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

Form C-102  
Revised 10-1-77

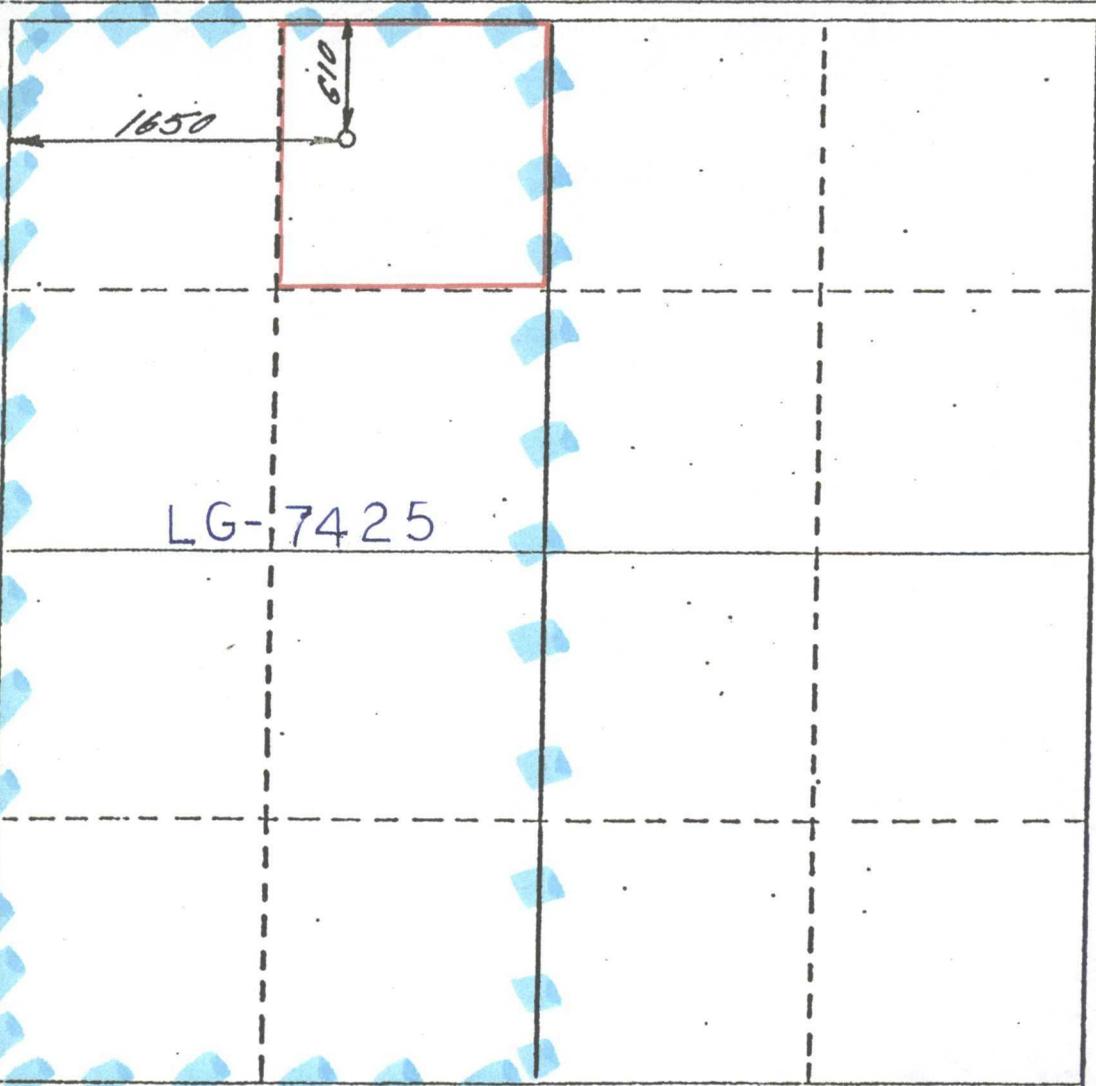
All distances must be from the outer boundaries of the Section.

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

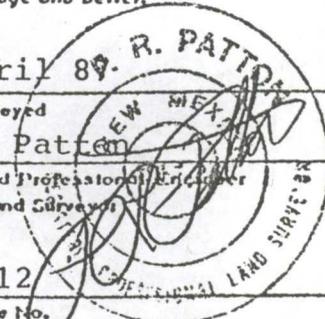
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

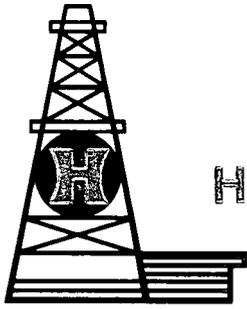
9 April 87

Date Surveyed  
P.R. Patton  
Registered Professional Engineer  
and/or Land Surveyor

8112

Certificate No.





RECEIVED  
SEP 23 2011  
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