

FILE		<input checked="" type="checkbox"/>		<input checked="" type="checkbox"/>		<div style="border: 2px solid black; padding: 5px; margin: 0 auto; width: 150px;"> RECEIVED BY JUL 23 1987 O. G. D. IncARTESIA, OFFICE </div>	
U.S.G.S.							
LAND OFFICE							
TRANSPORTER	OIL	<input checked="" type="checkbox"/>					
	GAS		<input checked="" type="checkbox"/>				
OPERATOR				<input checked="" type="checkbox"/>			
PRODUCTION OFFICE				<input checked="" type="checkbox"/>			
Period		Hanson Operating Company					
Address		P. O. Box #1515, Roswell, New Mexico 88202-1515					

Reason(s) for filing (Check proper box)				Other (Please explain)	
New Well	<input checked="" type="checkbox"/>	Change in Transporter of:			
Completion	<input type="checkbox"/>	Oil	<input type="checkbox"/>	Dry Gas	<input type="checkbox"/>
Change in Ownership	<input type="checkbox"/>	Casinghead Gas	<input type="checkbox"/>	Condensate	<input type="checkbox"/>

Change of ownership give name and address of previous owner _____

DESCRIPTION OF WELL AND LEASE				
Well Name	Well No.	Pool Name, including Formation	Kind of Lease	Lease No.
Hanlad State Battery #1	5	Diablo San Andres	State, Federal or Fee State	LG-7425
Location				
Unit Letter	C	610 Feet From The	North Line and	1650 Feet From The
				West
Line of Section	27	Township	10-S	Range
				27-E
				NMPM
				Chaves
				County

SIGNATURE OF TRANSPORTER OF OIL AND NATURAL GAS	
Signature of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Navajo Refining Company	P. O. Box #159, Artesia, New Mexico 88210
Signature of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
N/A	

Well produces oil or liquids, or location of tanks.	Unit	Sec.	Twp.	Pgs.	Is gas actually connected?	When
	D	27	10S	27E	No	

This production is commingled with that from any other lease or pool, give commingling order number: _____

COMPLETION DATA						
Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back
(X)	X		X			
Date Spudded	Date Compl. Ready to Prod.	Total Depth	P.B.T.D.			
04/20/87	07/18/87	2134'	2125'			
Productions (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay	Tubing Depth			
3837' GR	San Andres	2072'	2118'			
Productions			Depth Casing Shoe			
2072-2122' (23 shots) - San Andres						

TUBING, CASING, AND CEMENTING RECORD			
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT
12-1/4"	8-5/8"	500'	200 sx Lite, 200 sx "C"
8"	5-1/2"	2131'	300 sx Lite, 200 sx
			50/50 POZ "A"
	Tubing - 2-3/8"	2118'	

TEST DATA AND REQUEST FOR ALLOWABLE			
(Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)			
First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
07/18/87	07/20/87	Pump	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
24 hours			
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF
	46	0	18
			391/1

5 WELL			
Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MCF	Gravity of Condensate
Producing Method (pump, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

CERTIFICATE OF COMPLIANCE		OIL CONSERVATION COMMISSION	
I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given is true and complete to the best of my knowledge and belief.		APPROVED <u>JUL 30 1987</u> , 19	
<u>Brinda R. Godfrey</u> (Production Analyst) (Title) 07/22/87 (Date)		Original Signed By	
		<u>Les A. Clements</u>	
		Supervisor District II	
		This form is to be filed in compliance with RULE 1104. If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviated tests taken on the well in accordance with RULE 111. All sections of this form must be filled out completely for allowable on new and recompleted wells. Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of conditions.	

APPLICATION FOR EXCEPTION TO NO-FLARE RULE 306

NFO Permit No. 2-784
(Commission Use Only)A. Applicant, Hanson Operating Company, Inc.,whose address is P. O. Box 1515, Roswell, New Mexico 88202-1515,hereby requests an exception to Rule 306 for indefinite number of days or until , 19 , for the following described tank battery (or LACT):Name of Lease Hanlad State Battery #1 Name of Pool Diablo San Andres
Well #5Location of Battery: Unit Letter D Section 27 Township 10-S Range 27-ENumber of wells producing into battery 3B. Based upon oil production of 46 barrels per day, the estimated (*) volume
of gas to be flared is 18 MCF; Value \$10.00 per day.

C. Name and location of the nearest gas gathering facility:

Liquid Energy, Sec.12,T.10S,R.28E, Chaves County, New MexicoD. Distance 4½ miles Estimated cost of connection \$25,000.00

E. This exception is requested for the following reasons:

Until additional reserves are discovered by drilling more wells,
we feel that it is not economically feasible to lay this gas line
until further production is obtained.

RECEIVED BY

JUL 23 1987

O. C. D.
ARTESIA, OFFICEF. I hereby certify that the rules and regulations of the Oil
Conservation Commission have been complied with and
that the information given above is true and complete to
the best of my knowledge and belief.Brenda R. Hoofrey
(Signature)

Production Analyst

(Title)

07/22/87

(Date)

Approved Until Further Notice

New Mexico Oil Conservation Commission

By Mike WilliamsTitle OIL AND GAS INSPECTORDate JUL 30 1987