

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Oil Cons.
N.M. IV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
No. 1004-0133
Revised November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Well Name and No. T B&K 1, 2, 3, 8 (Keyes)
2. Name of Operator Hanson Energy		6. If Indian, Allottee or Tribe Name
3a. Address R. 342 S. Haldeman, Artesia	3b. Phone No. (include area code) 505-746-2262	7. If Unit or C/A Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) #3 - Sec3 - 17S - 28E #1, 2, 8, 9 - Sec10 - 17S - 28E		8. API Well No. 30-015-01614
		9. Field and Pool, or Exploratory Area Vandagriff Keyes, Qn
		10. County or Parish, State Eddy

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	surface
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	commingling

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompletes horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the lease under which the work will be performed or provide the Lease No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

See attached application.

14. I hereby certify that the foregoing is true and correct Name (Printed/Typed) Kathie Hanson		Title Secretary
Signature <i>Kathie Hanson</i>		Date 2/15/02

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) ALEXIS C. SWOBODA	PETROLEUM ENGINEER Date MAR 04 2002
Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.	
Office	

Title 16 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States as to any matter within its jurisdiction.

Accepted for record

only MAR 7 2002

CRA BLM FORMAT

**APPLICATION FOR SURFACE COMMINGLING,
OFF LEASE STORAGE AND MEASUREMENT APPROVAL**

This Format Should Be Attached To A Sundry Notice

To: Bureau of Land Management
~~P.O. Box 1778~~ 620 E. Green St
Carlsbad, New Mexico 88221-1778

Hanson Energy (Operator's Name) is requesting approval for surface commingling and off-lease storage and measurement of hydrocarbon production from the following formation(s) and well(s) on Federal Lease No. LC061465-A ; Lease Name: T E&K (Keyes)

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>3</u>	<u> </u>	<u>10</u>	<u>17S</u>	<u>28E</u>	<u>Vand, Keyes, Qn</u>
<u>8</u>	<u> </u>	<u>10</u>	<u>17S</u>	<u>28E</u>	<u>Vand, Keyes, Qn</u>
<u>9</u>	<u> </u>	<u>10</u>	<u>17S</u>	<u>28E</u>	<u>Vand, Keyes, Qn</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

with hydrocarbon production from the following formation(s) and well(s) on Federal lease No. LC061465-B ; Lease Name: T E&K (Keyes)

<u>Well No.</u>	<u>Loc.</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rng.</u>	<u>Formation</u>
<u>1</u>	<u> </u>	<u>3</u>	<u>17S</u>	<u>28E</u>	<u>Vand, Keyes, Qn</u>
<u>2</u>	<u> </u>	<u>10</u>	<u>17S</u>	<u>28E</u>	<u>Vand, Keyes, Qn</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Production from the wells involved is as follows:

<u>Well Name and No.</u>	<u>BOPD</u>	<u>Oil Gravity</u>	<u>MCFPD</u>
<u>T E&K #1</u>	<u> </u>	<u> </u>	<u>86</u>
<u>TE&K #2</u>	<u> </u>	<u> </u>	<u>86</u>
<u>TE&K #3</u>	<u> </u>	<u> </u>	<u>86</u>
<u>TE&K #8</u>	<u> </u>	<u> </u>	<u>86</u>
<u>TE&K #9</u>	<u> </u>	<u> </u>	<u>85</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>

Continued ...

Continued:

The proposed operation is described in detail on the attached diagrams.

A map is enclosed showing the lease numbers and location of all leases and wells that will contribute production to the proposed commingling/common storage facility. All unitized/communitized areas, producing zones/pools are also clearly illustrated.

A schematic diagram is also attached which clearly identifies all equipment that will be utilized.

The storage and measuring facility is located at NW-1/4, Sec. 10, T 17 S, R 22 E, on lease No LC0614656 EDDY County, New Mexico. BLM will be notified if there is any future change in the facility location.

Details of the proposed method for allocating production to contributing sources is as follows:

The working interest owners have been notified of the proposal.

The proposed commingling of production is in the interest of conservation and will not result in reduced royalty or improper measurement of production.

The proposed commingling is necessary for continued operation of the above referenced Federal leases.

We understand that the requested approval will not constitute the granting of any right-of-way or construction rights not granted by the lease instrument. And, we will submit within 30 days an application for right-of-way approval to the BLM's Realty Section in your office if we have not already done so.

Additional wells require additional commingling approvals.

Signature: Warren Hanson

Name: Warren Hanson

Title: Owner/Operator

Date: 2/14/02