

TRCT I
Box 1980, Hobbs, NM 88241-1980

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-106
Revised 4-1-91

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

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

ACT Permit No. 160

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Yates Petroleum Corporation

Address 105 South 4th Street Artesia, NM 88210 County Eddy

Lease(s) to be served by this ACT Unit Polo AOP #2 and #3

Pool(s) to be served by this ACT Unit Dagger Draw Upper Penn North

Location of ACT System: Unit J Section 10 Township 19S Range 25E

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

N/A

Date --

Order No. authorizing commingling between pools if more than one pool is to be served by this system

N/A

Date --

RECEIVED

Authorized transporter of oil from this system Amoco Pipeline Company

SEP 13 1995

Transporter's address 502 N. West Ave. Levelland, TX

Maximum expected daily through-put for this system: 1500

OIL CON. DIV. Bbls/day

If system fails to transfer oil due to malfunction or otherwise, waste by overflow will be averted by: DIST. 2

CHECK ONE: A. ☐ Automatic shut-down facilities
as required by Section (3) h-1 of
"RULE 309-A"

B. ☒ Alternative (3) h-2, providing adequate available
capacity to receive production during maximum
unattended time of lease operation

If "A" above is checked, will flowing wells be shut-in at the header manifold or at the wellhead?

N/A

Maximum well-head shut-in pressure --

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 1500 BBLs.

What is the normal maximum unattended time of lease operation? TWELVE (12) Hours.

What device will be used for measuring oil in this ACT unit?

CHECK ONE: ☒ Positive displacement meter

☐ Weir-type measuring vessel

☐ Positive volume metering chamber

☐ Other; describe --

Remarks: --

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT system will be installed and operated in accordance with Rule 309-A. Approval of this Form C-106 does not eliminate necessity of an approved C-104 prior to running any oil or gas from this system.

Signature John F. Brown

Printed Name & Title John F. Brown, Operations Eng.

Date 9/8/95 Telephone (505) 748-1471

OIL CONSERVATION DIVISION

Approved by: ORIGINAL SIGNED BY TIM W. GUM
DISTRICT II SUPERVISOR

Title: --

Date: SEP 20 1995

INSTRUCTIONS: Submit 4 copies of Form C-106 with following attachments to appropriate district office. See Rule 309-A.

- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.