September 16, 1966

Reply: P. O. Box 1586 Farmington, New Mexico

Subject: PD LACT Installation

Mobil Oil Company

Wavajo, Tocito No. 11-20-603-5019 SW/SW Section 9, T26W, R18W San Juan County, New Mexico

Nobil Oil Company P. O. Best 778 Parmington, New Mexico

Attention Mr. W. B. Hoggatt

Gentlemen:

Your request for installation of subject LACT equipment has been approved as shown on your sketch and as described in your specifications furnished us with your letter dated September 15, 1966. You may use this letter in your application to the State of New Mexico as concurrence on our part to accept custody transfer of crude from the subject lease through positive displacement meters.

We have examined the flow diagram and find it acceptable; however, final acceptance of the installation will be contingent upon our successful field proving of the measuring, quality control, sampling and safety components. We assume the BSEN monitor will be of the fail-safe type; that is, the skid will be made inoperative in the event of a component failure.

Four Corners Pipe Line will provide without charge the personnel and equipment necessary for proving of subject facilities; however, the producer shall be responsible for maintaining the equipment in good working order.

If we may be of further service, please feel free to call upon this effice.

Yours very truly,

W. E. Walker

WE'S' BAM



UNITED STATES DEPARTMENT OF THE INTERIOR

GEOLOGICAL SURVEY

Drawer 1857 Roswell, New Mexico 88201

September 19, 1966

Mobil Oil Company
Petroleum Club Plaza Building
Farmington, New Mexico

Attention: Mr. W. B. Hoggatt

Gentlemen:

Your letter of September 15, with attachments, requests our approval for the use of an Automatic Custody Transfer unit on Navajo tribal lease 14-20-603-5019.

The method you propose for custody transfer of lease production is satisfactory to this office. Any change in this system must receive prior approval from this office.

You are requested to notify our Farmington office when the installation is completed in order that an inspection of the system can be made.

Sincerely yours,

iohn A. Anderson

Regional Oil and Gas Supervisor

