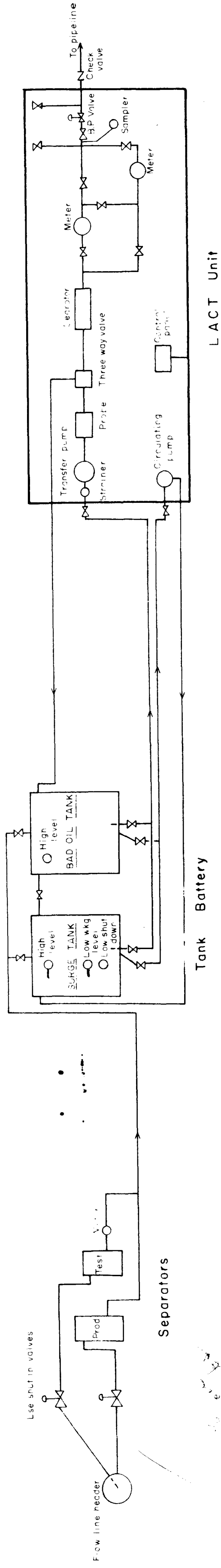


LARGE FORMAT  
EXHIBIT HAS  
BEEN REMOVED  
AND IS LOCATED  
IN THE NEXT FILE

El Paso Natural Gas Products Co.  
LACT Unit & Battery

Ojo Amarillo Lease  
Sec. 27-28-33-34  
Twp. 29 N.-R. 14 W.  
San Juan County N.M.  
Exhibit No. —

BEFORE EXAMINER NUTTER  
OIL CONSERVATION COMMISSION  
EXHIBIT NO. 2  
CASE NO. 2149



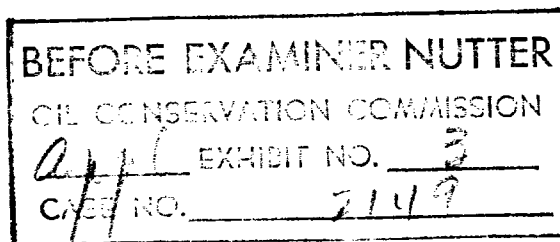
## ECONOMICS OF LACT INSTALLATION

### To Install LACT:

1. LACT Unit (Labor and Materials)	\$ 9,600.00
2. Power Line and Accessories	3,400.00
3. Addition of Meter to Separator	600.00
4. Miscellaneous Labor for Installing Wellhead Shut-In Controls	<u>300.00</u>
	\$13,900.00
Salvage of one - 400 Bbl. Tank	\$ 1,000.00
Savings from better utilized labor per year	<u>2,784.00</u>
	\$ 3,784.00
	<hr/>
Total Cost	\$10,116.00

### To Enlarge Existing Battery:

1. Install five additional 400 Bbl. Welded Tanks (Labor and Materials)	\$11,500.00
	<hr/>
Total Savings	<u>\$ 1,384.00</u>



**FOUR CORNERS PIPE LINE COMPANY**

1937 EAST DEL AMO BLVD.  
P. O. BOX 1095  
COMPTON, CALIFORNIA

December 29, 1960



El Paso Natural Gas  
Products Company  
P. O. Box 1560  
Farmington, New Mexico

Attention Mr. E. N. Walsh

Gentlemen:

The lease automatic custody transfer system being developed for use at your Ojo Amarillo Lease in Section 27, R14W, T29N, N34E, San Juan County, New Mexico, is generally satisfactory for receiving lease production into the Four Corners Pipe Line gathering system subject to the approval of the proper regulatory agencies and with the following minor revisions:

1. The prover connections should be located downstream of the back pressure valve to maintain the positive pressure on the meter.
2. The sampler connection should be located between the BSW monitor probe and the deaerator and downstream of the three-way diverting valve.
3. Final acceptance of the skid is reserved subject to our review and approval and the detailed piping and electrical drawings which were not attached with your proposal but which were promised at a later date prior to connection of the LACT skid.

Four Corners would prefer a daily set-stop counter rather than the monthly set-stop counter as proposed to permit a better scheduling of deliveries into our system.

Yours very truly,

J. K. Alfred

COPIES EXAMINED NUMBER	
CONSERVATION C.	
EXHIBIT NO.	4
NO.	2149