

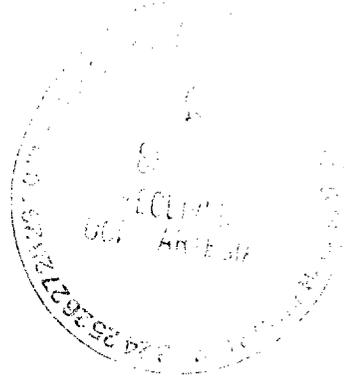


ARCO Permian
 PO Box 1089
 Eunice NM 88231
 Telephone 505 394 1600

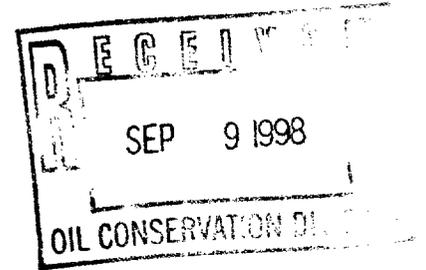
SF

Southeast New Mexico Asset Area

September 4, 1998



New Mexico Oil Conservation Division
 Attention: Tim Gum
 811 S. 1st Street
 Artesia, New Mexico 88210-2834



Subject: Washington 33 State Battery
 Unit Letter G, Section 33, T17S, R28E
 Eddy County, New Mexico
 LACT Facility Approval

Dear Mr. Gum:

ARCO Permian requests permission to install a truck LACT unit on its Washington 33 State Battery, located in Unit Letter G, Section 33, T-17-S, R-28-E, Eddy County, New Mexico.

A plat showing the wells which will be produced in the ACT system, schematic diagrams of the battery and the ACT equipment, a letter of approval from the transporter, and Form C-106 are attached.

Please feel free to call me at 394-1659 if you have any questions.

Sincerely,

Vicki Owens for Larry D. Henson

Larry D. Henson
 Area Operations Supervisor

LDH/vo

cc: Phyllis Allman
 Central Files

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

OIL CONSERVATION DIVISION
2040 Pacheco St.
Santa Fe, NM 87505

ACT Permit No. 180

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator ARCO Permian

Address P.O. Box 1089, Eunice, NM 88231 County Eddy

Lease(s) to be served by this ACT Unit Washington 33 State

Pool(s) to be served by this ACT Unit Artesia Queen Grayburg San Andres and Artesia Glorieta-Yeso

Location of ACT System: Unit G Section 33 Township 17S Range 28E

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

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

PC-982 Date 8/7/98

Authorized transporter of oil from this system EOTT Energy Operating Limited Partnership

Transporter's address P.O. Box 1660, 5805 E. Business 20 Midland, TX 79702

Maximum expected daily through-put for this system: 1,000 Bbbls/day

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

- 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?

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 750 BBLs.

What is the normal maximum unattended time of lease operation? 16 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 Vicki Owens for Larry D. Henson

Printed Name & Title Larry D. Henson, Area Operations Supervisor

Date September 4, 1998 Telephone 394-1659

OIL CONSERVATION DIVISION

Approved by: Jim W. Green

Title: District Supervisor

Date: 9-8-98

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.

***EOTT ENERGY* Operating Limited Partnership**

P.O. BOX 1660
5805 E. BUSINESS 20
MIDLAND, TEXAS 79702
(915) 682-3761

September 4, 1998

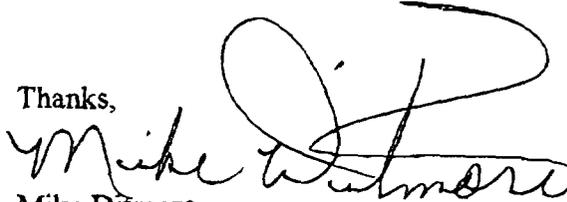
Larry Henson

Re: Acceptance of 3" Lact at Washington Lease

Dear Larry:

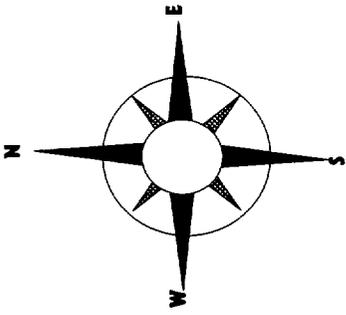
EOTT will accept a truckload LACT at the Washington lease. Please check with Terry Heady for spec.'s.

Thanks,

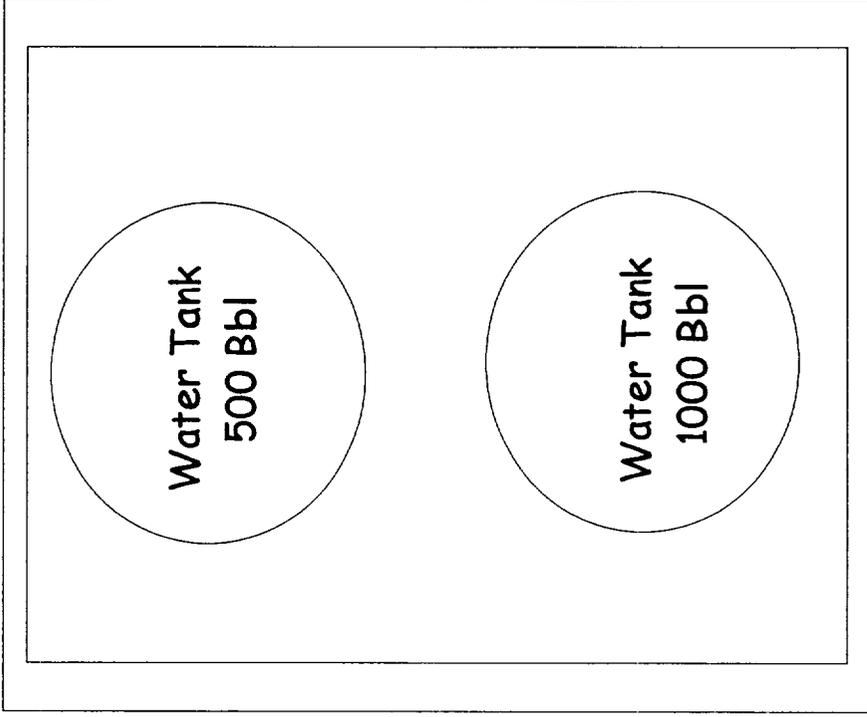


Mike Ditmore

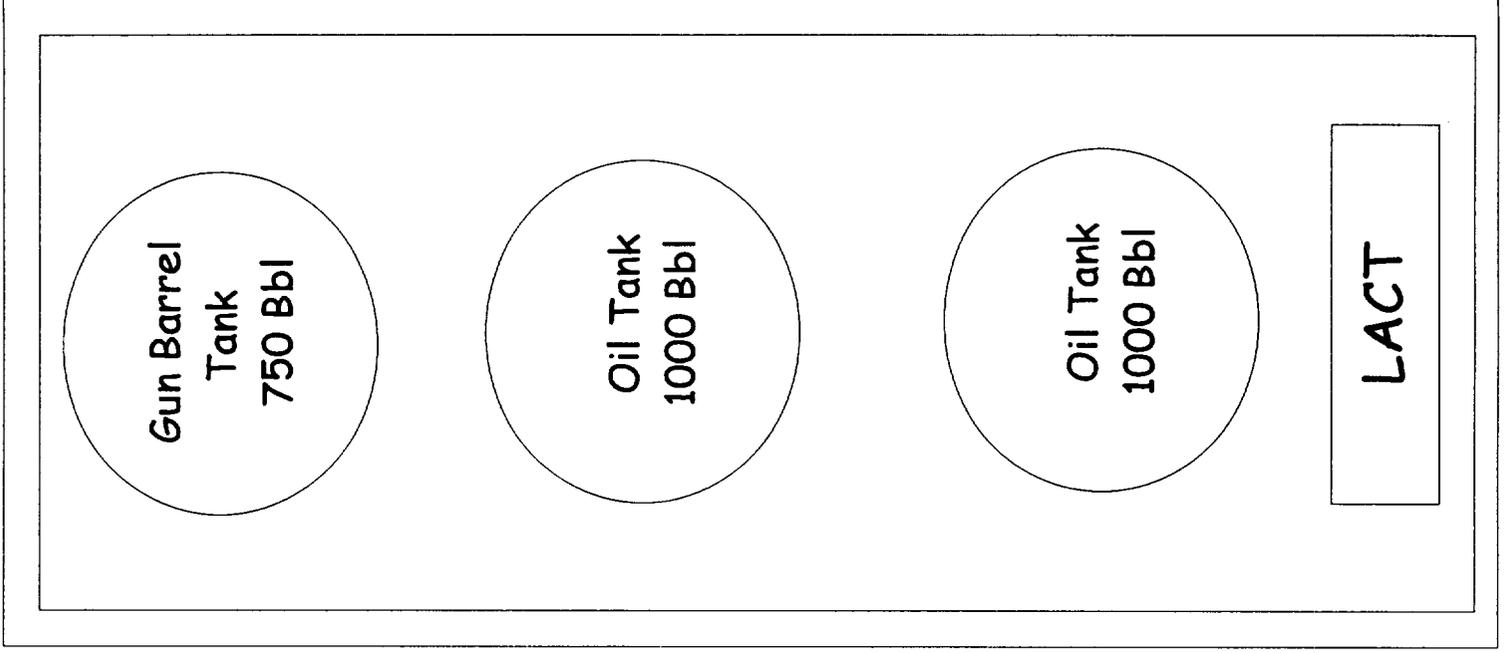
Mike Ditmore



DIKE



DIKE



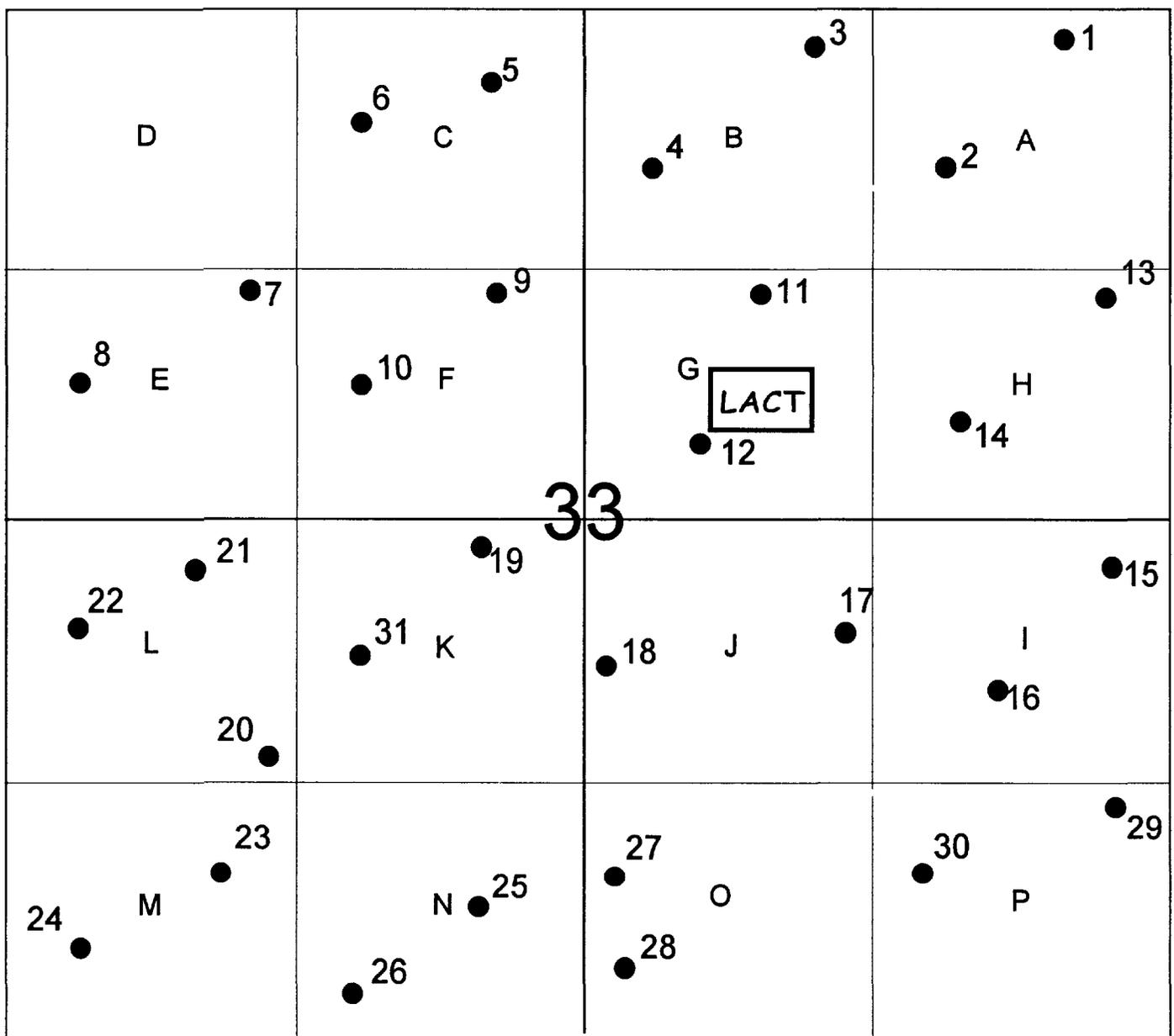
Washington 33 State Battery

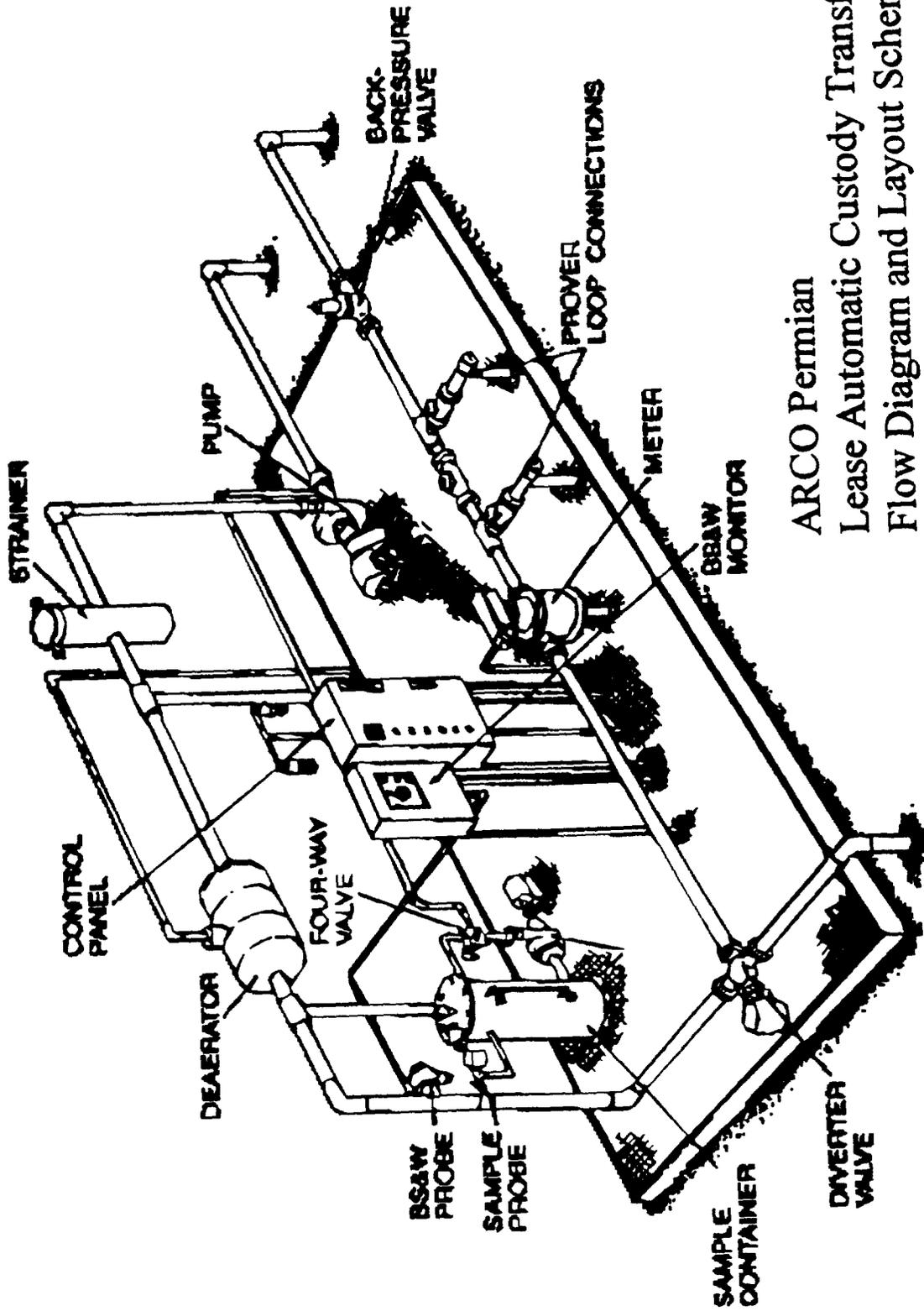
LACT

Sec. 33, T17S, R28E

Washington 33 State Battery LACT

Unit Letter G, Section 33, T17S, R28E
Eddy County, New Mexico





ARCO Permian
 Lease Automatic Custody Transfer Unit
 Flow Diagram and Layout Scheme

LACT UNIT