

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-106
Revised 4-1-91

OIL CONSERVATION DIVISION

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

ACT Permit No. 158

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 APH Marshall #1

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

Location of ACT System: Unit F Section 9 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 18 1995

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

OIL CON. DIV.

Maximum expected daily through-put for this system: 800

DIST. 2

Bbls/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?

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 approval of C-104 prior to running any oil or gas from this system.

Signature [Signature]

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.

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

CARY E. JOHNSON
GOVERNOR

OIL CONSERVATION DIVISION
ARTESIA DISTRICT OFFICE

JENNIFER SALISBURY
CABINET SECRETARY

December 4, 1995

Yates Petroleum Corporation
105 South Fourth Street
Artesia, N.M. 88210

Re: **Well Placed In Pool**

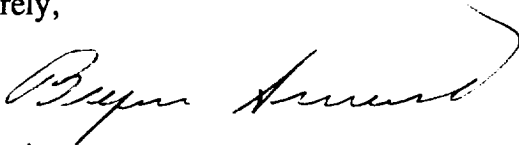
Gentlemen:

As the result of Division Order R-10518 the following described well has been placed in the pool shown below. This change in nomenclature has been made in our files. Please change your records to reflect the proper pool name. All subsequent reports must show this nomenclature until further notice.

**Dagger Draw; Upper Penn., North Oil Pool
Marshall "APH" #1
Unit F, Section 9, Township 19 South, Range 25 East, NMPM
Poolcode: 15472**

Transporters are advised, by copy of this letter, to change their records to reflect the pool name as established by this order, effective December 1, 1995.

Sincerely,



Bryan Arrant
District Geologist

cc: Amoco P/L/ Int. Trucking
Amoco Pipeline Company
Santa Fe
Mae
Well File ✓