

**District I** (575) 393-6161  
1625 N. French Dr., Hobbs, NM 88240  
**District II** (575) 748-1283  
811 S. First St., Artesia, NM 88210  
**District III** (505) 334-6178  
1000 Rio Brazos Road, Aztec, NM 87410  
**District IV** (505) 827-8198  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Oil Conservation Division  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-106  
Revised August 1, 2011

ACT Permit No.

## NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Franklin Mountain Energy, LLC

Address	44 Cook Street, Suite 1000, Denver, CO 80202	County	Denver
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Lease(s) to be served by this ACT Unit VB2117, VB2121, NM101608 and various fee

Pool(s) to be served by this ACT Unit WC-025 G-09 S253502D; UPR WOLFCAMP (98187) & WC-025 G-09 S253502B; LWR BONE SPRING (98185)

Location of ACT System: Unit    Lots 2 & 3    Section    2    Township 25S    Range    35E

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

PLC-729 Date 4/16/2021

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

PLC-729 Date 4/16/2021

Authorized transporter of oil from this system SCM Crude, LLC

Transporter's address 5825 N. Sam Houston Pkwy W. Ste. 150, Houston TX 77070

Maximum expected daily through-put for this system: 18,000BPD

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 19.15.18.15.C(8) NMAC B. ☐ Providing adequate available capacity to receive production during maximum unattended time of lease operation 19.15.18.15.C(9) NMAC

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

Wellhead	Maximum well-head shut-in pressure	5000 PSI
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If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank BBLS.

What is the normal maximum unattended time of lease operation? 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: In the event of a malfunction, Operator has the ability to utilize either option A or B above to manage volumes, The LACTs will sell to pipeline.

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 19.15.18.15 NMAC. 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 Richard Verbeke

Printed Name &amp; Title Dir Ops Planning and Regulatory

E-mail Address      roverbey@fmellc.com

Date 6/25/2021 Telephone 720-414-7868

## OIL CONSERVATION DIVISION

Approved by: Dean R McClure

Title: Petroleum Engineer

Date: 08/06/2021

**INSTRUCTIONS:** Submit one copy of Form C-106 with following attachments to appropriate district office.

- 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.

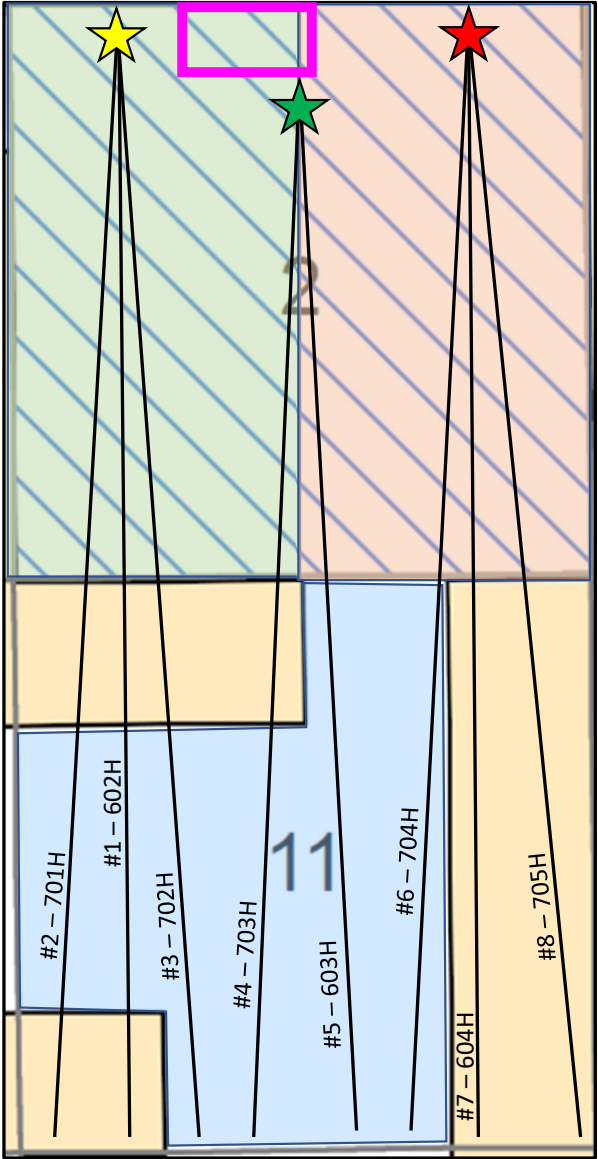
OWNERSHIP AND LOCATOR MAP

Released to Imaging: 8/6/2021 2:20:04 PM

Ownership and Locator Map

- ★ Carnival West Pad
- ★ Carnival Mid Pad
- ★ Carnival East Pad
- Carnival CTB
- VB-2121
- VB-2117
- Various Fee \*See footnote below
- NM-101608

Plat No.	Well Names	Formation	Unit Description	Unit Acres	NMOCD Pooling Order
1	County Fair Fed Com 602H	Bone Spring	W2 Secs 2 & 11-T25S-R35E	641.78	R-21402
2	County Fair Fed Com 701H	Wolfcamp	W2W2 Secs 2 & 11-T25S-R35E	320.91	R-21404
3	Blue Ribbon Fed Com 702H	Wolfcamp	E2W2 Secs 2 & 11-T25S-R35E	320.87	R-21403
4	Blue Ribbon Fed Com 703H	Wolfcamp	E2W2 Secs 2 & 11-T25S-R35E	320.87	R-21403
5	Parade State Com 603H	Bone Spring	W2E2 Secs 2 & 11-T25S-R35E	320.85	R-21541
6	Parade State Com 704H	Wolfcamp	W2E2 Secs 2 & 11-T25S-R35E	320.85	R-21171
7	Beauty Queen Fed Com 604H	Bone Spring	E2 Secs 2 & 11-T25S-R35E	641.66	R-21170/R-21170-A
8	Beauty Queen Fed Com 705H	Wolfcamp	E2E2 Secs 2 & 11-T25S-R35E	320.81	R-21172/R-21172-A



\* Lease schedule attached for additional detail on fee leases



Well List:

Well #1

Well Name: COUNTY FAIR FED COM 602H  
Pool: WC-025 G-09 S253502B; LWR BONE SPRING (98185)  
API: 30-025-47492  
Location: SHL: D- Section 2-25S-35E, BHL: M-Section 11-25S-35E

Well #2

Well Name: COUNTY FAIR FED COM 701H  
Pool: WC-025 G-09 S253502D; UPR WOLFCAMP (98187)  
API: 30-025-47493  
Location: SHL: D- Section 2-25S-35E, BHL: M-Section 11-25S-35E

Well #3

Well Name: BLUE RIBBON FED COM 702H  
Pool: WC-025 G-09 S253502D; UPR WOLFCAMP (98187)  
API: 30-025-47662  
Location: SHL: C- Section 2-25S-35E, BHL: N-Section 11-25S-35E

Well #4

Well Name: BLUE RIBBON FED COM 703H  
Pool: WC-025 G-09 S253502D; UPR WOLFCAMP (98187)  
API: 30-025-47663  
Location: SHL: C- Section 2-25S-35E, BHL: N-Section 11-25S-35E

Well #5

Well Name: PARADE STATE COM 603H  
Pool: WC-025 G-09 S253502B; LWR BONE SPRING (98185)  
API: 30-025-46505  
Location: SHL: B- Section 2-25S-35E, BHL: O-Section 11-25S-35E

Well #6

Well Name: PARADE STATE COM 704H  
Pool: WC-025 G-09 S253502D; UPR WOLFCAMP (98187)  
API: 30-025-46506  
Location: SHL: B- Section 2-25S-35E, BHL: O-Section 11-25S-35E

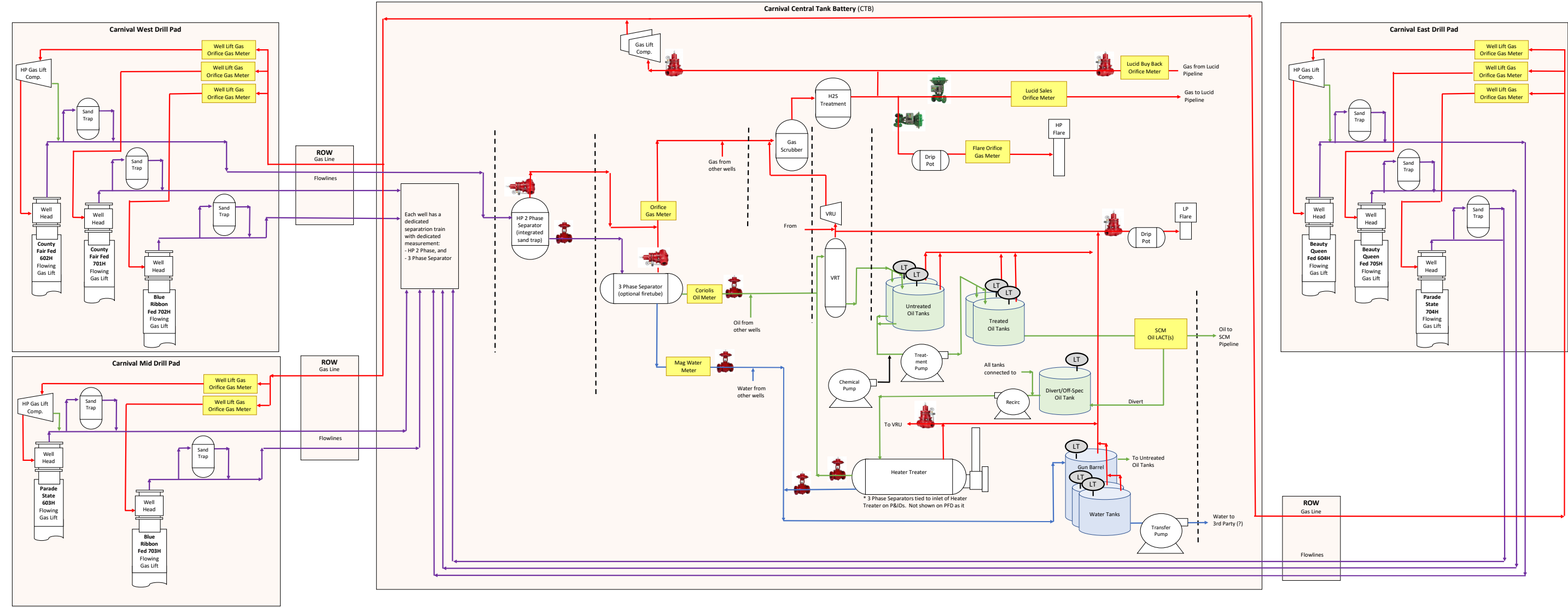
Well #7

Well Name: BEAUTY QUEEN FED COM 604H  
Pool: WC-025 G-09 S253502B; LWR BONE SPRING (98185)  
API: 30-025-47889  
Location: SHL: A- Section 2-25S-35E, BHL: P-Section 11-25S-35E

Well #8

Well Name: BEAUTY QUEEN FED COM 705H  
Pool: WC-025 G-09 S253502D; UPR WOLFCAMP (98187)  
API: 30-025-47890  
Location: SHL: A- Section 2-25S-35E, BHL: P-Section 11-25S-35E

Carnival CTB  
June 2021



**From:** Walter, Mark <Mark.Walter@scmid.com>

**Sent:** Tuesday, June 29, 2021 10:01 AM

**To:** Travis Hutchinson <thutchinson@fmellc.com>; Lee, Andrew <Andrew.Lee@scmid.com>; Harris, Joan <joan.harris@scmid.com>

**Cc:** Rachael Overbey <roverbey@fmellc.com>

**Subject:** RE: [EXTERNAL] RE: SCM Confirmation to Utilize LACTs at Carnival CTB

SCM Approves of the Automatic Custody Transfer system and utilization at FME's Carnival Central Tank Battery located in lots 2 & 3, Section 2, Township 25 South, Range 3 East.

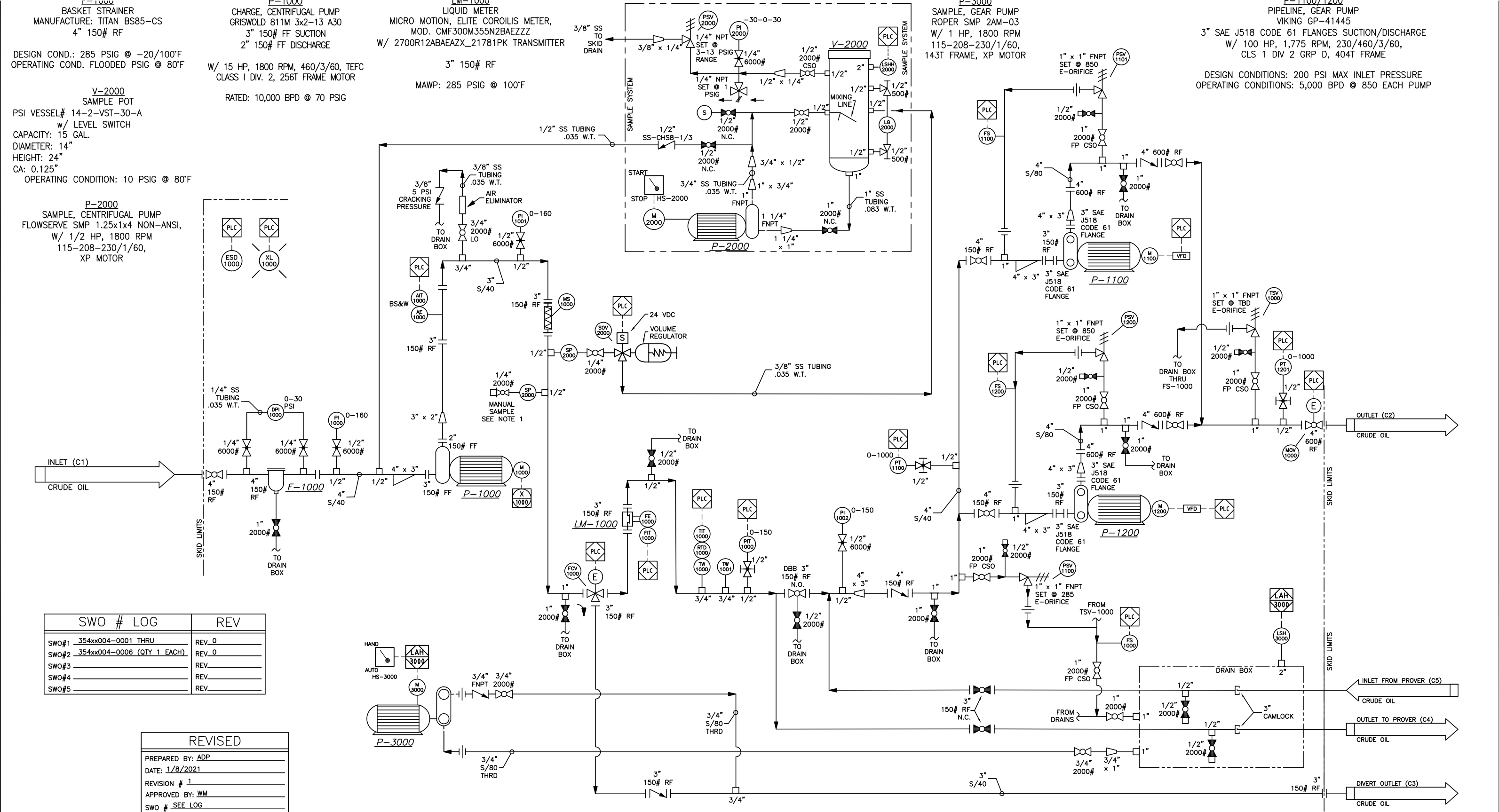
Please reach out with any questions.



Mark Walter – Crude Scheduler

Cell: 805-598-0560

[Mark.Walter@scmid.com](mailto:Mark.Walter@scmid.com)



**GENERAL NOTES:**  
1. MANUAL SAMPLE INSTALLED WITH PLUG TO PREVENT UNINTENTIONAL OPENING OF VALVE

**CONNECTION SCHEDULE**  
C1) 4" 150# RF, INLET  
C2) 4" 600# RF, OUTLET  
C3) 3" 150# RF, DIVERT OUTLET  
C4) 3" CAMLOCK, OUTLET TO PROVER  
C5) 3" CAMLOCK, INLET FROM PROVER  
C6) 2" FNPT, SKID DRAIN (TYP. 2 PLACES)

NOTICE: This drawing has not been published but rather has been prepared for  
SCM CRUDE, LLC  
by Power Service solely in respect of the construction, operation, and maintenance of the facility named in the title block and shall not be used for any other purpose or furnished to any other party, without the express written consent of Power Service.

NO.	DATE	BY	DESCRIPTION	CHK'D	APPR.
1	1/8/21	ADP	ADDED REFERENCE DWG -1A	CLC	CD
0	12/8/20	ADP	FOR CONSTRUCTION	CLC	CD
C	11/24/20	ADP	UPDATED PER PM FOR APPROVAL	CLC	CD
B	11/23/20	ADP	UPDATED PER CUSTOMER FOR APPROVAL	CLC	CD
A	11/18/20	CLC	FOR APPROVAL	CLC	CD
NO.			DESCRIPTION	CHK'D	APPR.
			REVISIONS		

REFERENCE DRAWINGS		DWG NO.	TITLE
SCMC-PLACT-L0-1A	GEN. ARRANGEMENT		
SCMC-PLACT-L0-1	GEN. ARRANGEMENT		



CUSTOMER		SCM CRUDE, LLC	
		PROCESS DIAGRAM	
		10K BPD 3in DUAL VIKING PIPELINE LACT	
		CRUDE OIL, .82 SG, 4cP	
		COS: 10,000 BPD (5,000/PMP) @ 850 PSIG	
SCALE:	SHEET:	JOB NO.	DWG. NO.
N.T.S.	1 OF 1	SEE LOG	SCMC-PLACT-PID-1

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**District III**  
1000 Rio Brazos Rd., Aztec, NM 87410  
Phone:(505) 334-6178 Fax:(505) 334-6170  
**District IV**  
1220 S. St Francis Dr., Santa Fe, NM 87505  
Phone:(505) 476-3470 Fax:(505) 476-3462

**State of New Mexico**  
**Energy, Minerals and Natural Resources**  
**Oil Conservation Division**  
**1220 S. St Francis Dr.**  
**Santa Fe, NM 87505**

CONDITIONS  
  
Action 34415

CONDITIONS

Operator:  Franklin Mountain Energy LLC 44 Cook Street Denver, CO 80206	OGRID:  373910
	Action Number:  34415
	Action Type:  [C-106] NOI Utilize ACTE (C-106)

CONDITIONS

Created By	Condition	Condition Date
dmccclure	Operation of the equipment shall be performed in compliance with 19.15.18.15 NMAC.	8/6/2021