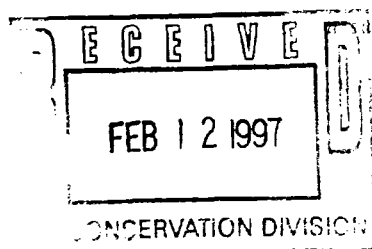


AMEND PC

N/R

PLAINS PETROLEUM OPERATING COMPANY



Subsidiary of Plains Resources Corporation

February 10, 1997

William J. LeMay
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505-5472

Re: Commingling Order PC-823

Dear Sir:

Plains Petroleum Operating Company respectfully requests Order No. PC-823 granted 12-28-92 authorizing commingling between the pools Teague Paddock, Teague Blinebry, South Teague Abo and Teague Devonian be amended to include the Teague Simpson Pool.

Your prompt consideration to this request will be appreciated as we have filed with the Hobbs OCD for approval to utilize Automatic Custody Transfer Equipment. Should you have any questions, please contact the undersigned or Stephen D. Owen at 915/683-4434.

Respectfully submitted,

PLAINS PETROLEUM OPERATING CO.

Bonnie Husband
Administrative Assistant

Submit 3 Copies
to Appropriate
District Office

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-103
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

WELL API NO.

5. Indicate Type of Lease

STATE ☐

FEE ☐

6. State Oil & Gas Lease No.

Fed.NMLC 064118

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A
DIFFERENT RESERVOIR. USE 'APPLICATION FOR PERMIT'
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

E. C. Hill "B" & "D" Federal

1. Type of Well:

OIL
WELL ☒

GAS
WELL ☐

OTHER

2. Name of Operator

PLAINS PETROLEUM OPERATING COMPANY

8. Well No.

3. Address of Operator

415 W. Wall, Suite 1000

Midland, TX 79701

9. Pool name or Wildcat

4. Well Location

Unit Letter _____ : _____ Feet From The _____ Line and _____ Feet From The _____ Line

Section

Township

Range

NMPM

Lea

County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)

11.

Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK ☐

PLUG AND ABANDON ☐

REMEDIAL WORK ☐

ALTERING CASING ☐

TEMPORARILY ABANDON ☐

CHANGE PLANS ☐

COMMENCE DRILLING OPNS. ☐

PLUG AND ABANDONMENT ☐

PULL OR ALTER CASING ☐

CASING TEST AND CEMENT JOB ☐

OTHER: _____

OTHER: _____

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

PLAINS PETROLEUM OPERATING CO respectfully requests Order No. PC-823
granted 12-28-92 authorizing commingling between the pools Teague Paddock,
Teague Blinbry, South Teague Abo and Teague Devonian be amended to include
the Teague Simpson Pool.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE

Bonnie Husband

TITLE

Admin.Assist.

DATE

1-31-97

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

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

DISTRICT III
1000 Rio Brizos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-106
Revised 4-1-91

OIL CONSERVATION DIVISION

2040 Pacheco St.

Santa Fe, NM 87505

ACT Permit No. _____

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator PLAINS PETROLEUM OPERATING COMPANY

OGRID #017805

Address 415 W. Wall, Suite 1000, Midland, TX 79701

County LEA

Federal

Lease(s) to be served by this ACT Unit E.C.Hill "B" Fed (009280) & E.C.Hill "D" Fed (009281) Lease No. LC064118
Teague Blinebry (58300), S. Teague Abo (58250), Teague Devonian (58330)

Pool(s) to be served by this ACT Unit Teague Paddock (58750), Teague Simpson (58900)

Location of ACT System: Unit D Section 35 Township 23S Range 37E

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-823

* See remarks

12-28-92

Date _____

Authorized transporter of oil from this system Texas New Mexico Pipe Line Co.

OGRID #022628

Transporter's address P. O. Box 60028, San Angelo, TX 76906

Maximum expected daily through-put for this system: 1000 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?

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

storage tank 4000 BBLs.

What is the normal maximum unattended time of lease operation? 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: Sundry notice enclosed request authority/approval to amend Commingle Authority to include Teague Simpson

OPERATOR:

I hereby certify above information is true and complete to best of my knowledge and subject ACT permit 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 Stephen D. Owen

Printed Name & Title Stephen D. Owen - Area Engineer

Date 1-29-97 Telephone 915/683-4434

OIL CONSERVATION DIVISION

Approved by: _____

Title: _____

Date: _____

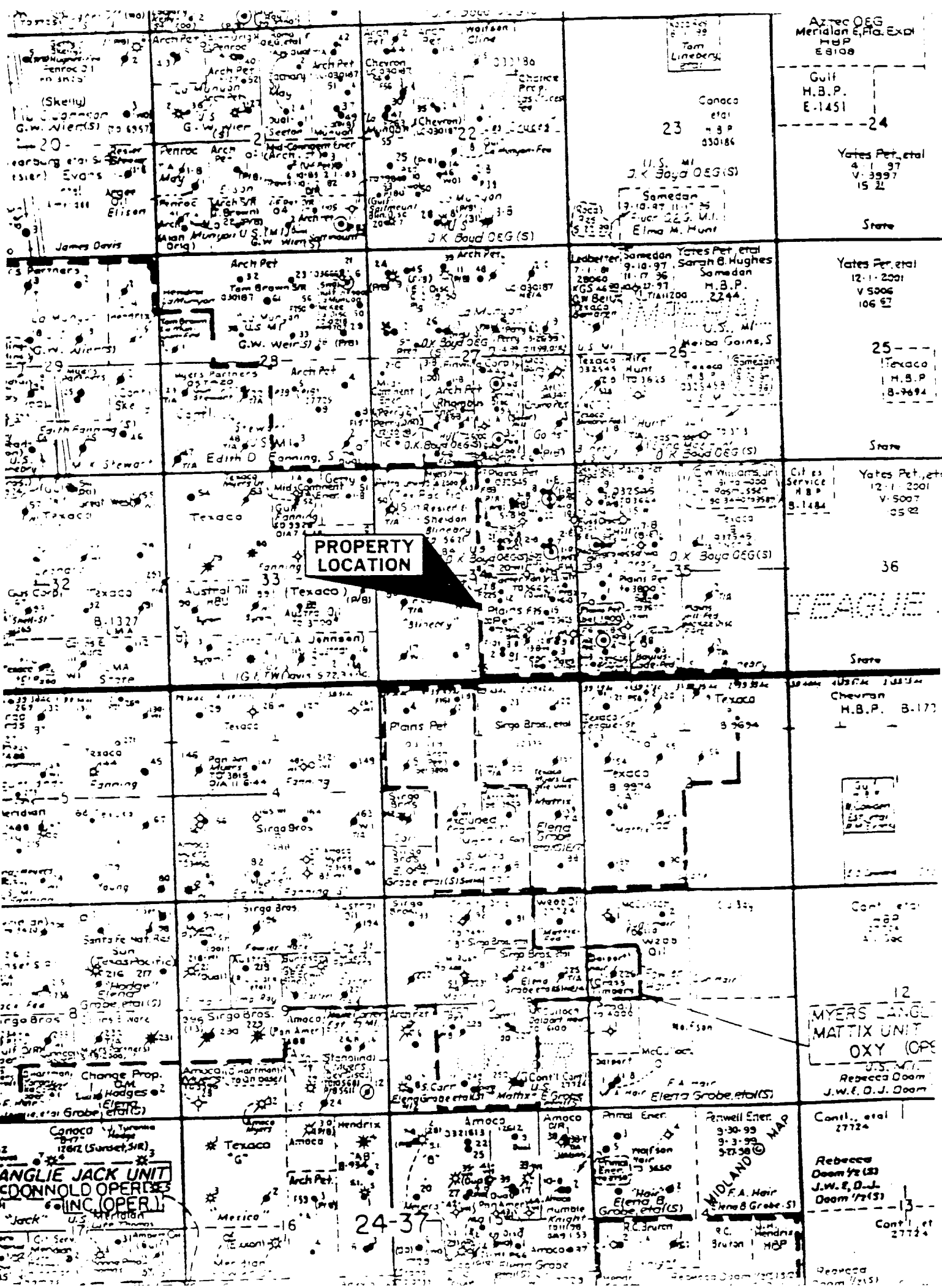
INSTRUCTIONS: Submit 4 copies of Form C-106 with following attachments to appropriate district office. See Rule 309-A.

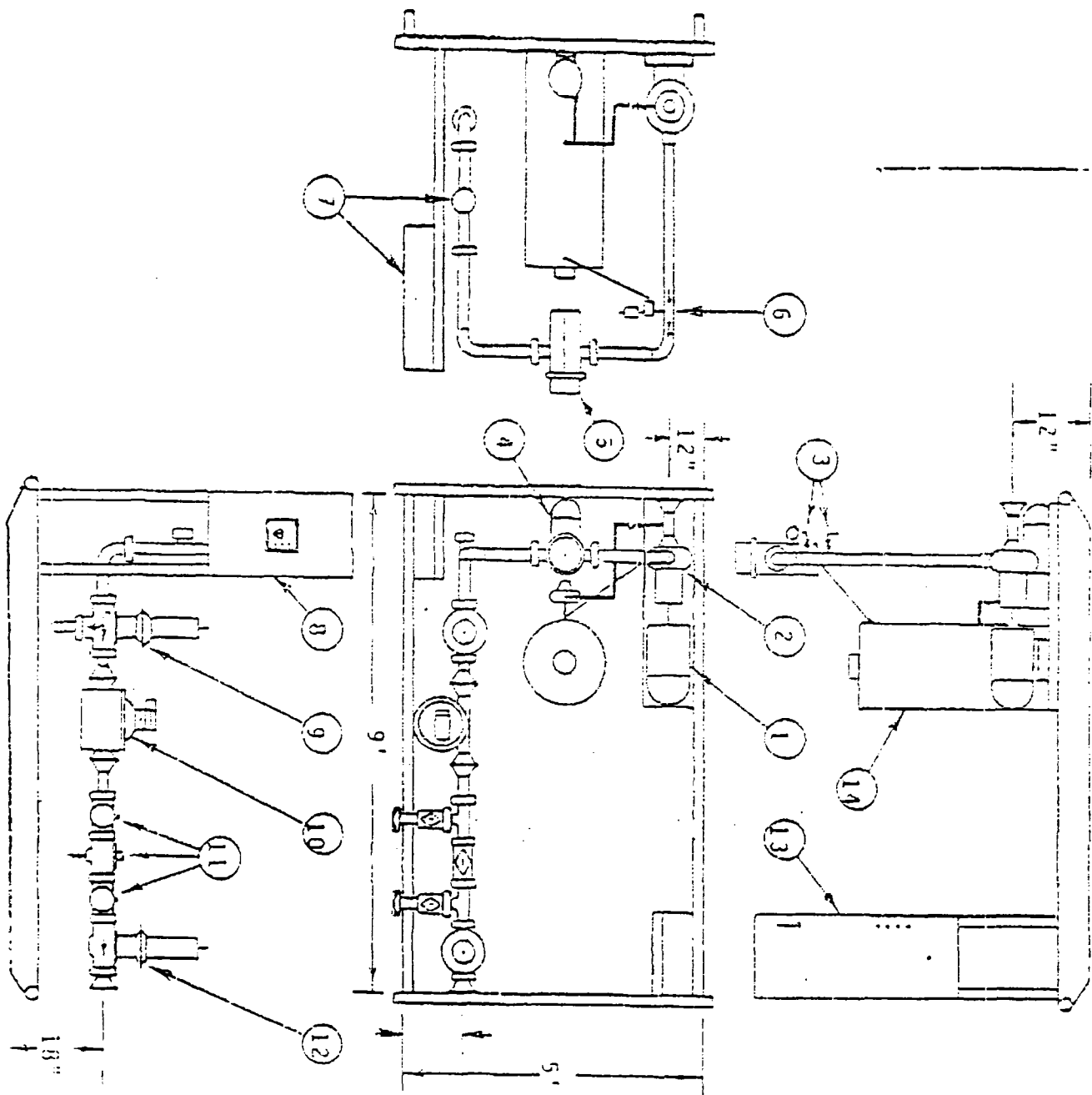
Lease plat showing all wells which will be produced in ACT system.

Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.

Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.

John Chapman, Texas New Mexico PL - Eunice, NM to forward letter agreeing to utilization





- Baldor 7.5 H.P. 3450 RPM Electric Motor (1)
- Farlow 1 1/2 X 5 1/2 Centrifugal Pump (2)
- 0-100 PSI Gauge (3)
- Sample Draw (4)
- 1/2 HP Baldor Electric Mixer (5)
- Cemco 2" Strainer (6)
- Air Illuminator (7)
- 0-100 Volume Reg. & Sample (8)
- Flex-flex 2" Monitor Probe (9)
- Flex-Mex 0-34 RS&M Monitor (10)
- General Control (11)
- 3-Way Div. Valve (12)
- A.O. Smith 2" SC-13 PD Meter (13)
- 3 Valve Prover Loop M/B/K/Bleed (14)
- Cemco 2" Back Pressure Valve (15)
- GE Size 1 LACI Control Panel (16)
- Flex-flex 20 Gal Sample Tank (17)

NOTE: Unit will have 1A-500 Temperature Averager

REVISION NOTE:

REVISED ON DATE: BY:

QUOTATION/JOBS:

PURCHASE ORDER:

TEX-MEX METER SERVICE INC

P.O. BOX 5593 - MIDLAND, TEXAS - 79701 - 715/634 5241

DATE: 1-27-97 BY: TK SCALE: -0-

CUSTOMER: Plains Petroleum Co.

TEXAS-NEW MEXICO PIPE LINE COMPANY

February 10, 1997

Mr. Jerry Sexton
New Mexico Oil Conservation Division
PO Box 1980
Hobbs NM 88241

Re: Plains Petroleum - E. C. Hill
Sec 34 T-23-S, R-37-E
Lea County, New Mexico

Dear Mr. Sexton:

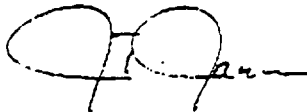
Plains Petroleum has advised us they plan to apply for permission to install and operate a LACT unit on the following lease.

E. C. Hill Lease
Sec 34, T-23-S, R-37-E
Lea County, New Mexico

Texas-New Mexico Pipe Line Company will gather the production from this facility and supports the operator's application for a LACT unit. Please direct any correspondence regarding this unit to our San Angelo office.

Texas-New Mexico Pipe Line Company
PO Box 60028
San Angelo, TX 76906

Sincerely,



J. T. Janica

JTJ:jj

xc: File
Reading
JDH (sa)
JWC
Lact approval letter - Lea

PLAINS PETROLEUM OPERATING COMPANY

a subsidiary of Barrett Resources Corporation



February 20, 1997

Mr. Ben Stone
Oil Conservation Division
2040 S. Pacheco St.
Santa Fe, NM 87505-5472

Via Facsimile 505/827-8177

Re: Baylus Cade Federal
Lease NMLC034711
SW4 S2 Sec.35, T23S, R37E
E. C. Hill "B" - "D" Federal
Lease NMLC064118
Lea County, NM

Dear Sir:

Pursuant to our telephone conversation this date, and with reference to our letter of February 10, 1997 requesting commingling authority Order No. PC-823 be amended to include the Teague Simpson Pool, please be advised leasehold ownership is common on the E. C. Hill "B" - "D" Federal lease, Teague Simpson, Teague Blinebry, Teague Paddock, Teague Abo, and Teague Devonian Pools.

Reference is made to our application requesting commingling authority on the Baylus Cade Federal Lease, leasehold ownership is common in the pools Teague Blinebry and Teague Simpson.

Should you require anything further, please give me a call.

Respectfully submitted,

PLAINS PETROLEUM OPERATING CO.

Bonnie Husband
Administrative Assistant