DISTRICT P.O.Box 1980, Hobbs, NM 88241-1980 State of New Mexico

Energy, Minerals and Natural Resources De, ment

Form C-106 Revised 4-1-91

DISTRICT II

DISTRICT III

P.O. Drawer DD, Anesia, NM 88211-0719

OIL CONSERVATION DIVISION

P.O. Box 2088

1000 Rio Brazos Rd, Aztec, NM 87410

Santa Fe, New Mexico 87504-2088

ACT Permit No.

SEP 2 0 1995

158 NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT Yates Petroleum Corporation Operator 105 South 4th Street Artesia, NM Eddy Address County APH Marshall⁴ Lease(s) to be served by this ACT Unit Dagger Draw Upper Penn North Pool(s) to be served by this ACT Unit_ 19S 25E Location of ACT System: Unit_ Section_ Township Range Order No. authorizing commingling between leases if more than one lease is to be served by this system. Order No. authorizing commingling between pools if more than one pool is to be served by this sysytem N/ASEP 1 3 1995 Amoco Pipeline Company Authorized transporter of oil from this system 502 N. West Ave. Levelland, TX Transporter's address 800 Maximum expected daily through-put for this system: 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 B. X Alternative (3) h-2, providing adequate available as required by Section (3) h-1 of capacity to receive production during maximum "RULE 309-A" 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 BBLS. TWELVE (12) 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: OIL CONSERVATION DIVISION **OPERATOR:** I herby certify above information is true and complete to best of my knowledge and subject ACT system will be installed anthoperated in accordance with Rule 309-A. Approval of this Form C-106 does not eliminate necessity of an apport of C-104 prior to running any oil or gas from this system. ORIGINAL SIGNED BY TIM W. GUM Approved by:_ DISTRICT II SUPERVISOR Signatur Title: Printed Name & Title John F. Brown, Operations Eng.

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.

9/8/95

Date

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

(505) 748-1471

Date:

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

Telephone