

District I (505) 393-6161
1625 N. French Dr., Hobbs, NM 88240
District II (505) 748-1283
1301 W. Grand Avenue, 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 June 10, 2003

ACT Permit No.

I - 898

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Amerada Hess Corporation

Address P.O. Box 840 Seminole, TX 79360 County Lea County, New Mexico

Lease(s) to be served by this ACT Unit Fred Turner Jr 'B'
West Nadine Tubbs (47530), West Nadine Paddock Blinbry (47400), East Skaggs Abo (56630),

Pool(s) to be served by this ACT Unit Skaggs Drinkard (57000), Warren Abo West (62940)

Location of ACT System: Unit I Section 18 Township 20S Range 38E

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

R-11363 / DHC-2819 / DHC-3043

Date 04/26/2000 - 09/11/2000 - 09/03/2002

Authorized transporter of oil from this system Navajo Refining Co.

Transporter's address P.O. Box 159 Artesia, NM 88211

Maximum expected daily through-put for this system: 600 bbls

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

Carol J. Moore

Printed Name & Title Carol J. Moore Senior Advisor/Regulatory

E-mail Address cmoore@hess.com

Date 1/13/2005

Telephone (432)758-6738

OIL CONSERVATION DIVISION

Approved by:

Harry W. Wink

OC FIELD REPRESENTATIVE II/STAFF MANAGER

Title:

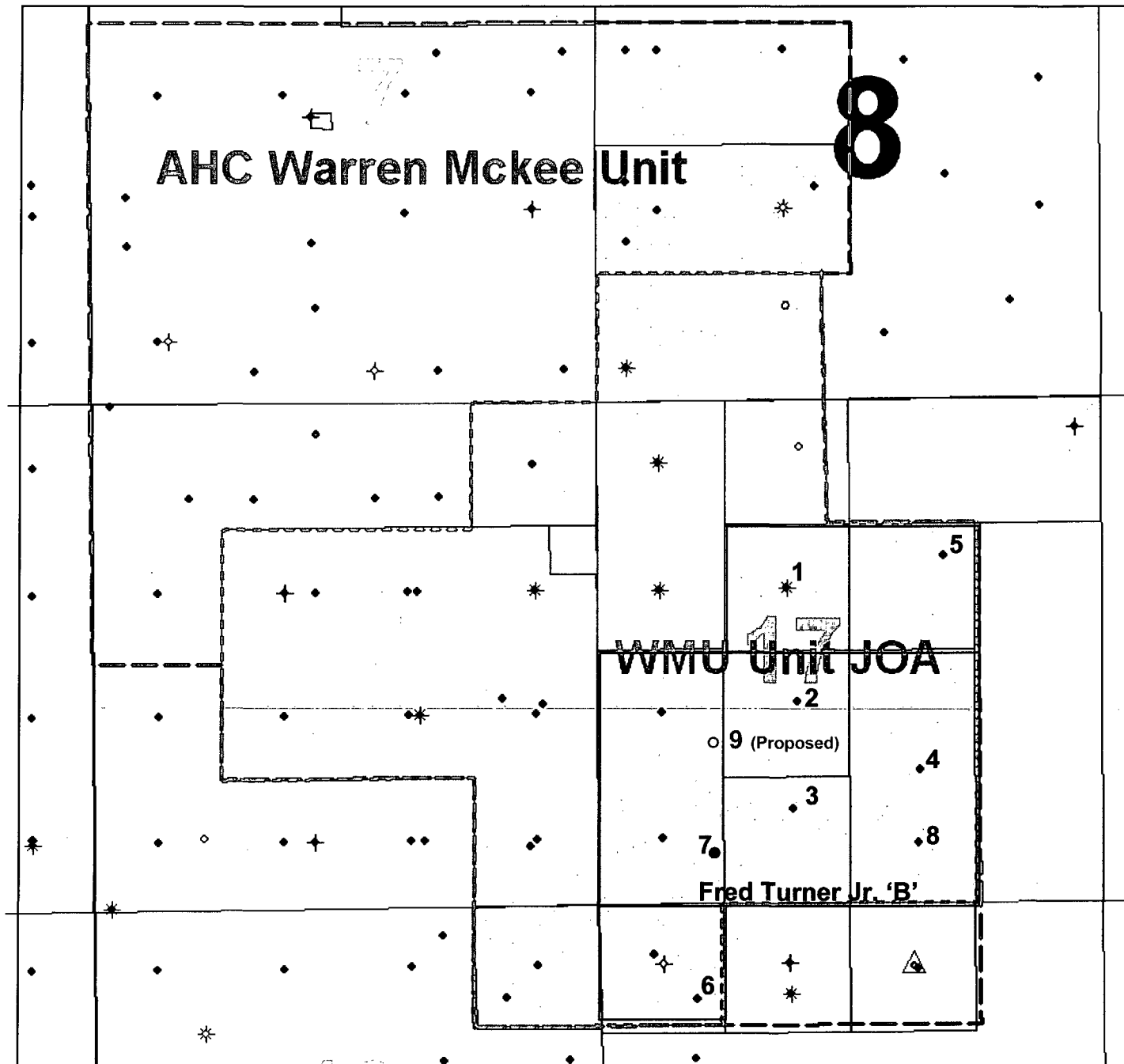
Date:

JAN 25 2005

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.

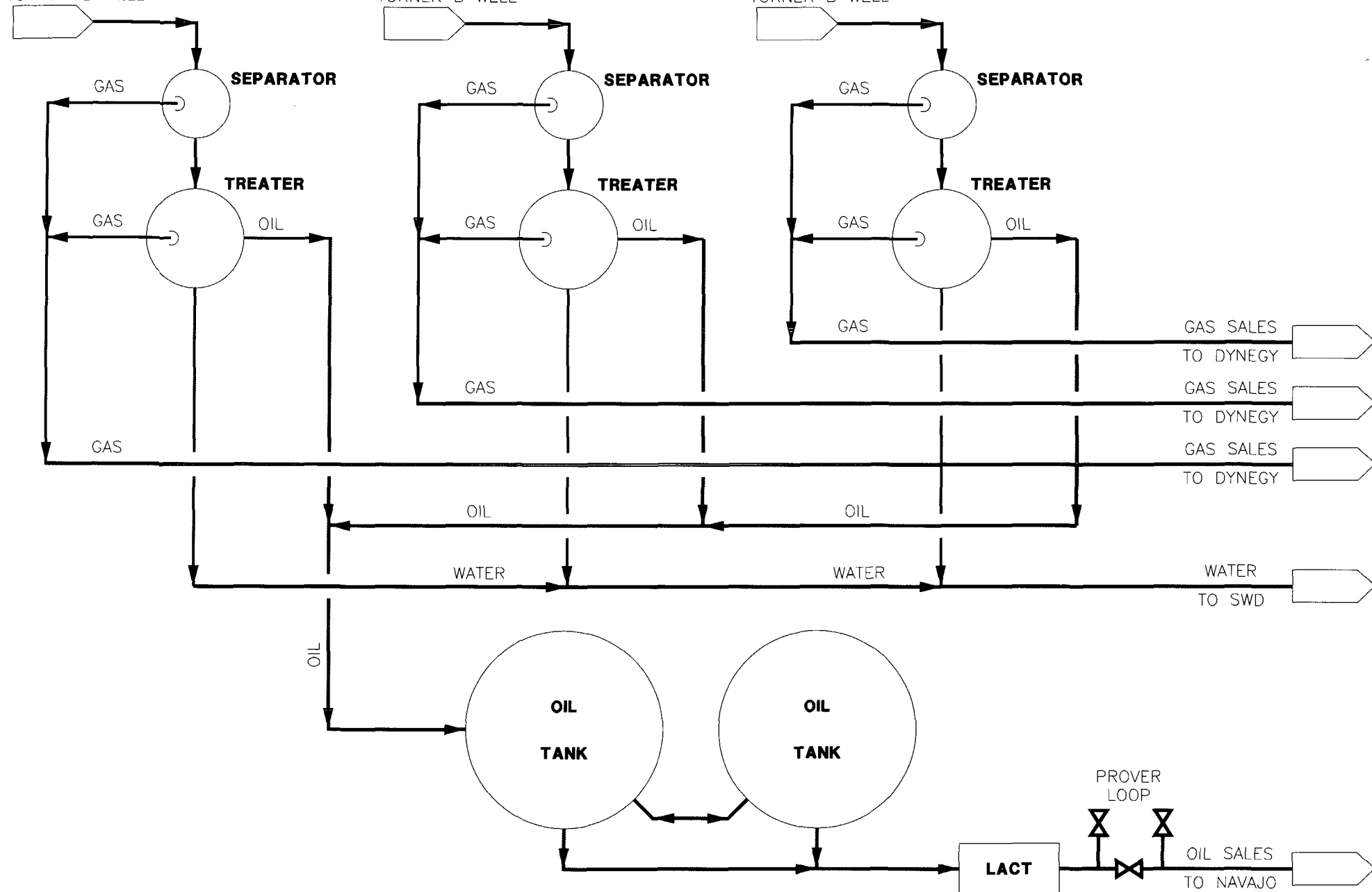
Fred Turner Jr. 'B' Lease



TURNER B WELL

TURNER B WELL

TURNER B WELL



No.	Revision	By	Date	Drawn By:	K. Brown
1	ORIGINAL DRAWING	KB	01-04-2005	Date:	01-04-2005
2				Scale:	None
3				Engineer/	J. Baker
4				Originator	
5				AFE No.	
6				Approved By:	
7				Drawing File:	TURNER B BATT.dwg
8				File Location:	
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LACT

PROVER
LOOPOIL SALES
TO NAVAJOAMERADA HESS CORPORATION
PERMAIN BUSINESS UNIT

MONUMENT AREA

TURNER 'B' BATTERY
UNIT I / SECTION 18
TOWNSHIP 20 SOUTH/RANGE 38 EAST
LEA COUNTY, NEW MEXICO
SCHEMATIC DIAGRAM

TELEPHONE
(505) 748-3311
(505) 748-3314



PIPELINE COMPANY

FAX
(505) 746-5480

501 EAST MAIN STREET • P. O. BOX 159
ARTESIA, NEW MEXICO 88211-0159

January 3, 2005

State of New Mexico
Oil Conservation Division
ATTN: Donna Mull
1625 N. French Drive
Hobbs, NM 88240

Re: Lact Unit Installation
Amerada Hess Turner B
Unit 1, Sec. 18, T20S, R38E
Lea County, New Mexico

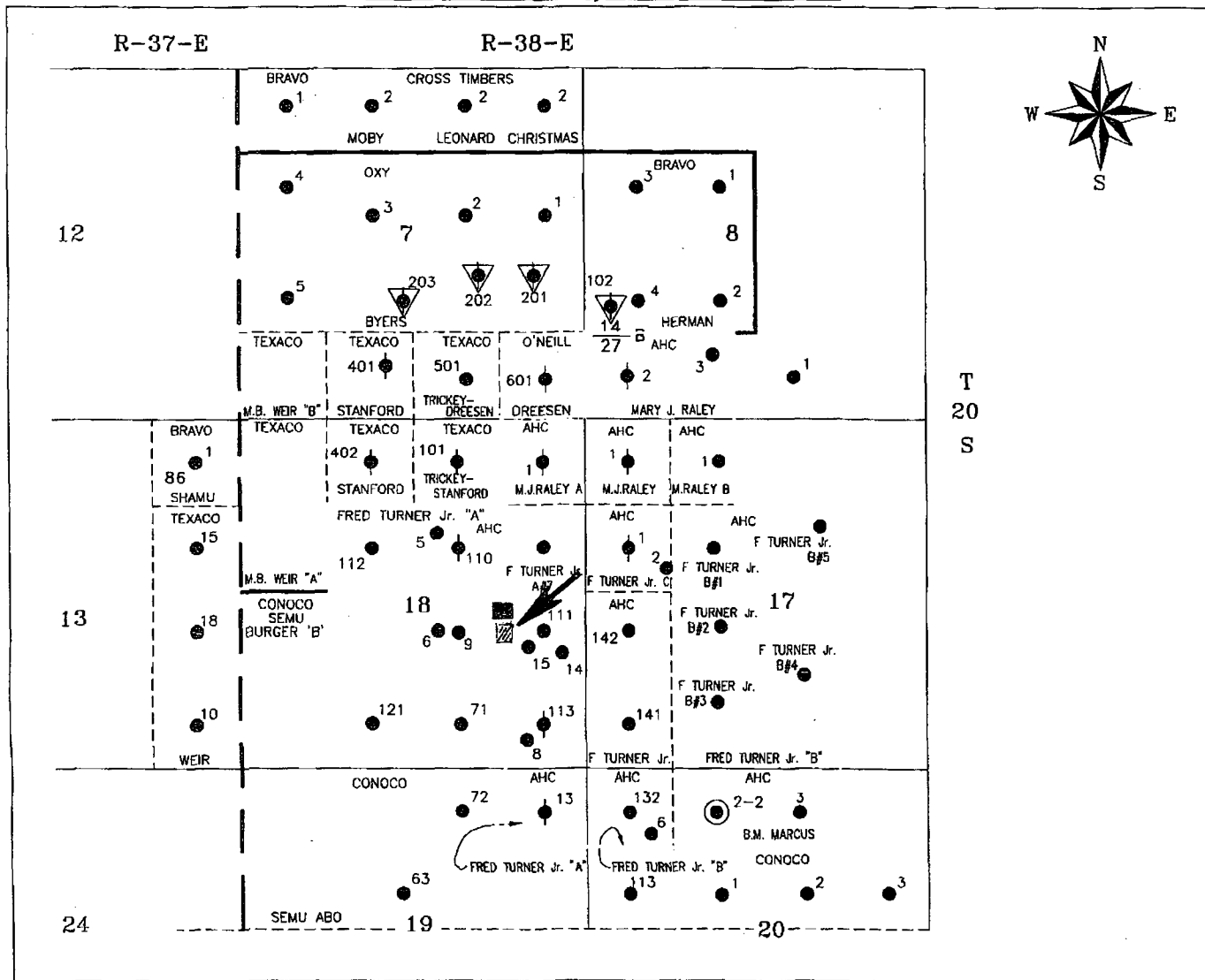
Dear Ms. Mull,

Navajo Pipeline agrees to the utilization of LACT Unit set at Amerada Hess Corporation operated Amerada Hess Turner B located in Unit 1, Sec. 18, T20S, R38E.

Sincerely,

Jim Townsend
Vice President, Operations

SKAGGS & WARREN McKEE FIELD LEA COUNTY, NEW MEXICO



WELL INFORMATION

- OIL WELL
- TA'D
- P & A
- ☀ GAS WELL
- ▽ INJECTION WELL
- ⊗ SWD

LEASE INFORMATION

- AHC
- WMU/TURNER "A" FACILITY
- FRED TURNER JR. "B" BATTERY

AMERADA HESS CORPORATION

BASE MAP

SKAGGS-1.DWG

1-21-05; 11:12AM; HESS

4327586724

- 1 - 2. Transfer pump with 220/440 volt electric motor.
3. B S & W Monitor probe mounted in vertical line.
4. 0 - 3% B S & W Monitor, instantaneous divert, 30 second time delay return.
5. Sampler probe with adjustable 0 - 10cc per bbl. volume regulator and electric motor.
6. Internally plastic coated sampler tank.
- 7 - 8. Control Panel - circuitry to divert bad oil and ship clean oil, monthly allowable counter, halt on low flow rate & power or meter failure, dry transformer, lightening arrester and 24 hour timer.
9. Three way - two position diverting valve.
10. Air eliminator and strainer.
11. Liquid Controls positive displacement meter with non-reset counter, automatic temperature averager, and right angle drive.
- 12 - 18. Three plug valves equipped with sealing devices and two 2" Evertite adaptors with dust covers.
19. Back pressure valve.
20. Check valve.