



Sunray Mid-Continent Oil Company

PR-3

March 29, 1962

Magnolia Pipeline Company
P. O. Box 606
Seminole, Texas

Attention: Mr. K. B. Snider

Gentlemen:

We have discussed with your Mr. Bob Dalton, Magnolia's requirements for a proposed ACT Unit to be installed on our U. D. Sawyer Lease described as follows:

E/2 Section 27, T-9-S, R-36-E, Lea County, New Mexico

This unit will also serve our Dessie Sawyer Lease production which is to be commingled with that of the U. D. Sawyer Lease. The Dessie Sawyer Lease is described as follows:

SW/4 Section 27, T-9-S, R-36-E, Lea County, New Mexico

In accordance with Mr. Dalton's request, we are attaching the following information for your consideration:

1. Equipment Specifications
2. Schematic Drawing of ACT Unit
3. Skid Operating Sequences
4. Protective or Fail Safe Features

We understand that a 12 hour weathering period must be maintained, also that we may produce and run from the same 300 barrel tank, provided the fill line extends no further than 18" into the tank. The PD meter will operate in a range of 30% to 80% of its capacity, and 30 psig should be the maximum line pressure condition. We are to furnish the meter prover. However, calibration of this vessel plus periodic meter provings will be a service of your company, with assistance from our personnel.

If all the equipment and operation meet your requirements, we would appreciate a letter to that effect directed to the attention of the following with a copy to the writer:

Sunray Mid-Continent Oil Company
P. O. Box 128
Hobbs, New Mexico
Attention: Mr. C. T. McClanahan

DX
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1101 Wilco Building, Midland, Texas

This will enable us to file the New Mexico Commission Form C-106, "Notice of Intention to Utilize ACT Equipment".

We wish to thank you for the courtesies extended our Mr. Mac H. Smith on his recent visit to your office.

Yours very truly,

SUNRAY MID-CONTINENT OIL COMPANY

~~MBH~~/mbh
Attachments

E. J. Pierce,
Division Engineer

cc: C. T. McClanahan

ccc: Mac H. Smith
File