

NEWMONT OIL COMPANY
DISCRIPTION OF OPERATION
OF "LACT" FACILITIES FOR
ATTACHED DRAWING

The oil flows from the wells through a lease shut-in valve I, then into gunbarrel 2. When the gunbarrel is full the fluid overflows through flowline and BS&W monitor 3, and run tank fill valve 4, into run tank 5. When high BS&W is indicated on monitor 3, the Bad Oil Valve 7 & 9, open and fill valve 4 close and the recirculating pump 8 starts and the fluid is sent back up stream through treating facilities. In the event the flow of Bad Oil is greater than the recirculating pump 8 can handle, it will carry over into Bad Oil Tank 10, this oil will be pumped out manually. If the Bad Oil Tank 10 fills up and actuates the HLSD 11, this will shut the lease shut-in valves 1, until the Bad Oil has been pumped out. When the monitor shows good oil, the run tank valve 4, will open again, and the Bad Oil valves 7 & 9 will close, and recirculating pump 8 will stop. Periodic recirculation of the surge tank bottom is set so a timer may be set and at any given time the timer will open recirculating valve 9, and start recirculating pump 8, and will recirculate until the preset timer stops, at this time the recirculating pump 8 will stop and valve 9 will close.

The oil flows from the run tank 5, to "LACT". There is a stand pipe 12, in line to "LACT", and this pipe has the "LACT" charge pump controls 13. When the upper pump switch (Fisher 2800-252V) is actuated the "LACT" charge pump 14 starts and the fluid is pumped through the deaerator 15, strainer 16, block valve 17, A.O. Smith S-12-C meter 18, block valves 17, A.O. Smith S-12-B meter 19, block valve 17, back pressure valve 21, shut-in valve 22.

The A.O. Smith S-12-C 18, meter has a ticket-printer with a built-in micro switch which sends out an electrical pulse for every barrel of oil that has been temperature compensated and passed through the meter. This pulse is sent to a safety shut-down circuitry package, which has an adjustable timer, and if the counter printer fails to operate for a given time the shut-down circuitry will stop the charge pump 14, and close the shut-in valve 22.

This will happen if there is a malfunction of the meter or there is some obstruction in the pipe line down stream of the unit. When the safety shut-down circuitry starts receiving a pulse again the charge pump 14 will start and the shut-in valve 22 will open, and the unit will operate. The A.O. Smith S-12-B has temperature compensation and counter only. This is used to check the calibration of the other meter. If the figures on the two (2) counter vary too much, they should be recalibrated with a prover tank or master meter.

There is a prover by-pass provided so a volume type prover or a master P.D. meter may be used to calibrate the meters. When the run tank is empty and the lower float switch 13, in the boot 12, the unit will shut-in.

The pipe line sampler is a proportional to flow unit, and the motor runs continuous. However, if the pipe line requires a sampler that requires the motor to run only when taking a sample, then the safety micro switch in the ticket-printer will be left off and a type "C" transmitter will be used. This transmitter can be used to pace the sampler motor and also pulse the safety shut-down circuitry.

If the set stop counter is required, it is used only for preset allowable.

BLACK, SIVALLS & BRYSON, INC.


R. L. Kelly
City Sales Representative

TEXAS-NEW MEXICO PIPE LINE COMPANY

F. B. WHITAKER, JR.
DIVISION MANAGER

January 5, 1960

P. O. BOX 1510
MIDLAND, TEXAS

Newmont Oil Company
300 Booker Building
Artesia, New Mexico

Attention: Mr. Herman J. Ledbetter
Superintendent

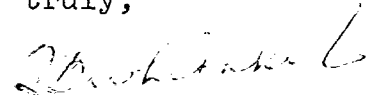
Gentlemen:

This is in reply to your letter dated December 28, 1959, concerning your proposed LACT facilities on your Yates A, Ballard A, and Ballard B Leases in the Loco Hills Pool, Eddy County, New Mexico.

We have examined your proposals in some detail, and find them to be satisfactory. We will, of course, need a brief testing period to eliminate any bugs, or malfunction that may develop. After this short period, we will be pleased to accept these installations for automatic custody transfer.

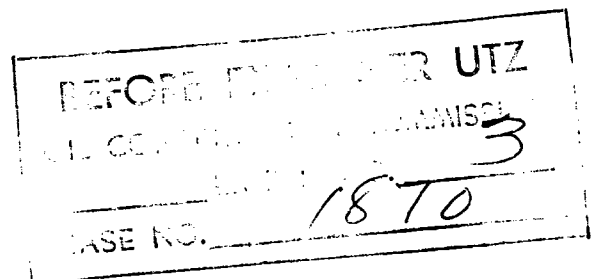
Texas-New Mexico Pipe Line Company will accept these three LACT installations.

Yours very truly,



RWB-btk

cc: Mr. L. P. Schraub
Loco Hills, New Mexico





CONTINENTAL PIPE LINE COMPANY

P. O. Box 367
Artesia, New Mexico
January 15, 1960

Mr. Herman J. Ledbetter
Newmont Oil Company
300 Booker Building
Artesia, New Mexico

Dear Mr. Ledbetter:

We have reviewed your proposed LACT installation for your Yates lease and find it to be acceptable with one exception. It would appear that a check valve should be installed next to valve No. 9 (shown in red on enclosed map) to prevent bad oil from entering tank No. 5 in the event the production was greater than the capacity of pump No. 8.

The metering facilities will be acceptable to us if provisions are made to prove meter No. 19 at least semi-annually by means of a prover tank or a master meter provided by a service company which could furnish a certified capacity report. Meter No. 19 would then be used to prove meter No. 18 on a monthly basis. The custody transfer would be made through meter No. 18 only.

If these conditions can be met your proposed facilities will be very satisfactory as far as we are concerned.

BEFORE	AMINER UTZ
OIL	NON COM
CREDIT NO.	1870
CHECK	

TWS-eeb
enc

Very truly yours,

A handwritten signature in cursive script, appearing to read "T. W. Sigler".

T. W. Sigler
Assistant Superintendent
New Mexico District

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