

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

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

DISTRICT III
1000 Rio Brazos Rd, Aztec, NM 87410

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-106
Revised 4-1-91

OIL CONSERVATION DIVISION

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

ACT Permit No. _____

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator BURNETT IL CO. INC.

Address 801 CHERRY STREET UNIT #9, FORT WORTH, TEXAS 76102 County USA

Lease(s) to be served by this ACT Unit GISSLER A (30-015-04152 FIRST IN BATTERY)

Pool(s) to be served by this ACT Unit LOCO HILLS PADDOCK (96718)

Location of ACT System: Unit J Section 14 Township 17S Range 30E

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

RECEIVED

Date _____
Authorized transporter of oil from this system NAVAJO REFINING COMPANY

APR 25 2005

~~OOB-ARTESIA~~

Transporter's address P.O. BOX 159 ARTESIA, NEW MEXICO 88211-0159

Maximum expected daily through-put for this system: 500 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

surge tank 900 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: NAVAJO LETTER TO BE SENT DIRECT TO NMOCD-ARTESIA

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 James H. Arline

Printed Name & Title JAMES H. ARLINE, MATERIAL COORDINATOR

Date April 8, 2005 Telephone 817-332-5108

OIL CONSERVATION DIVISION

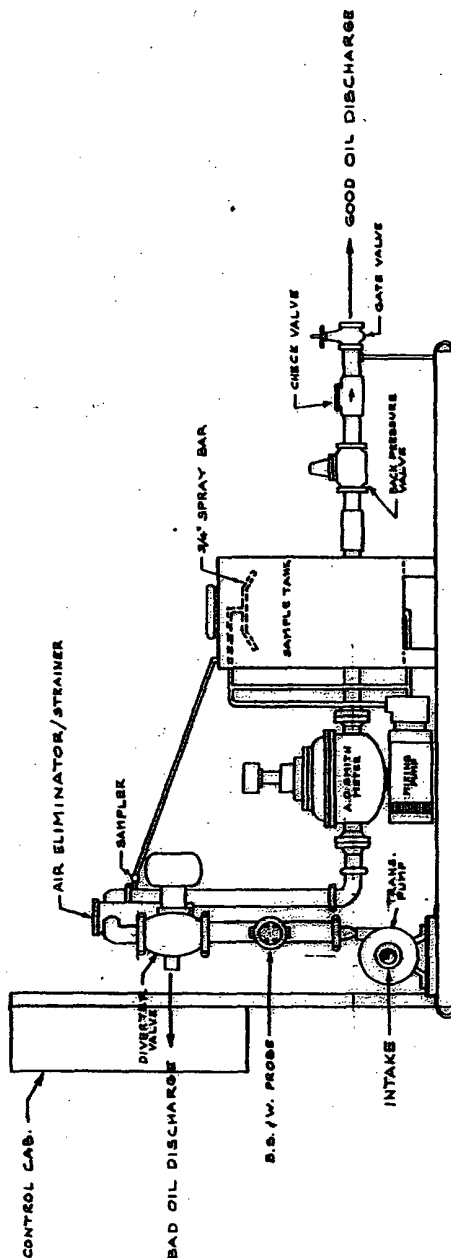
Approved by _____

Title _____

Date: _____

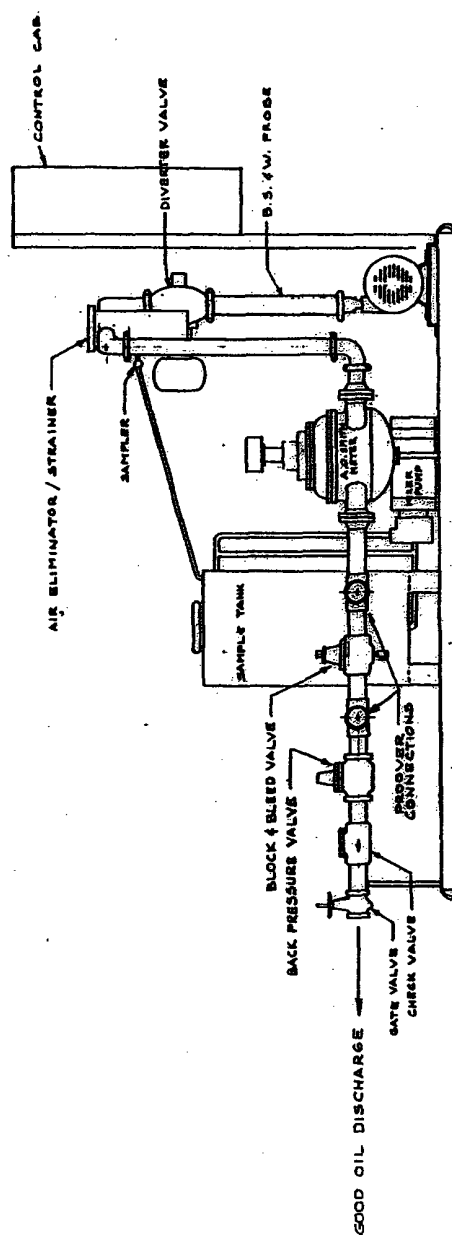
INSTRUCTIONS: Submit 4 copies of Form C-106 with following attachments to appropriate district office. See Rule 309-A.

- 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.



INTAKE SIDE

NOTE:
B.S. (W. MONITOR TO BE
MOUNTED OFF GRID.



PROOVER SIDE

"LACT" UNIT

AMERICAN

VALVE & METER

1113 WEST BROADWAY • HOBBBS, NEW MEXICO
PH. 505-393-6478

PREPARED BY:

WESTERN DESIGN & DRAFTING SER.

1706 BRADY AVE.

HOBBBS, NEW MEXICO 80240

(805) 393-8108

AIOD CERTIFIED

JAN 10 1964

DWG. NO. 8-103

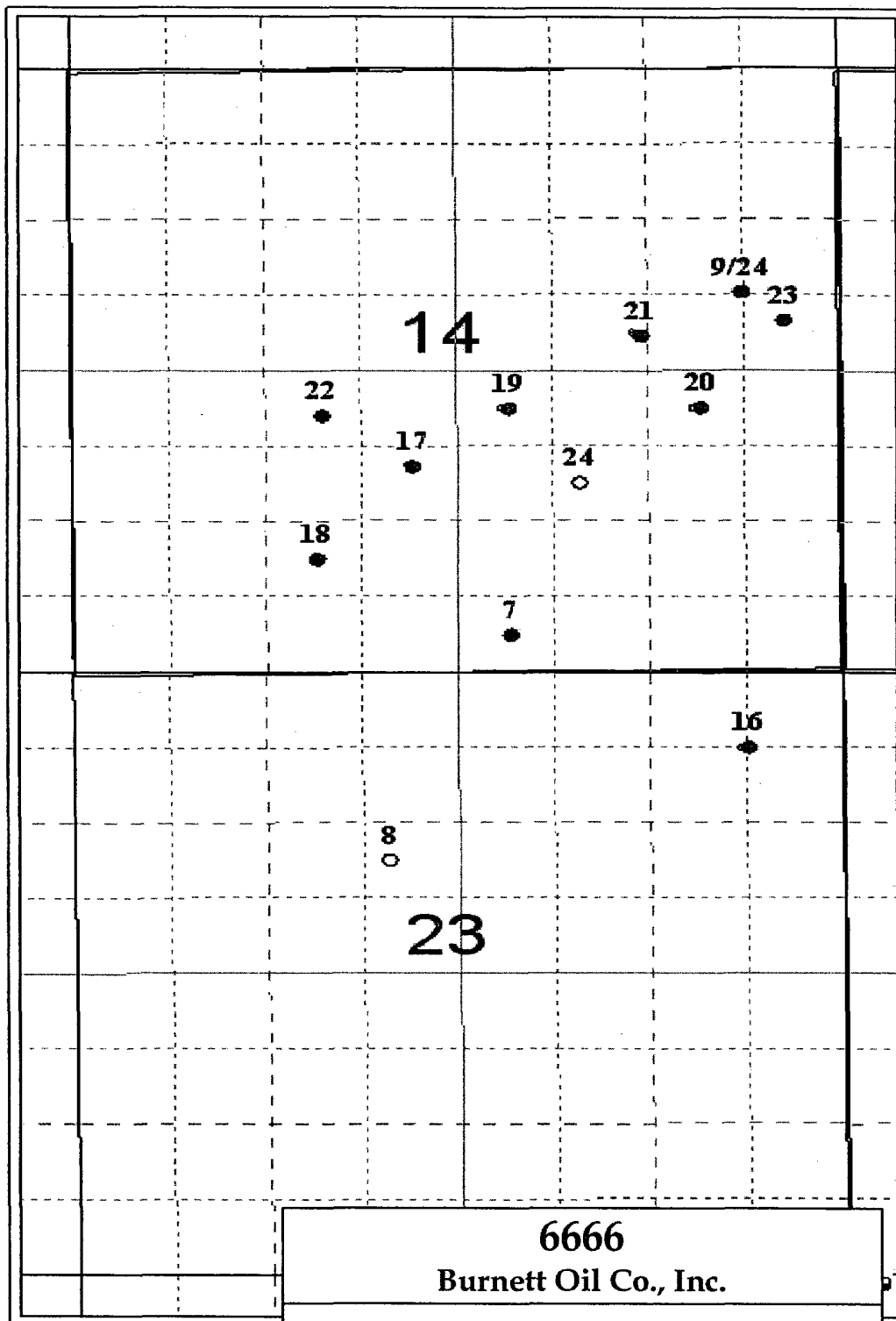
AMERICAN VALVE & METER

P.O. BOX 1667

HOBBS, N.M. 88240

505-393-5478

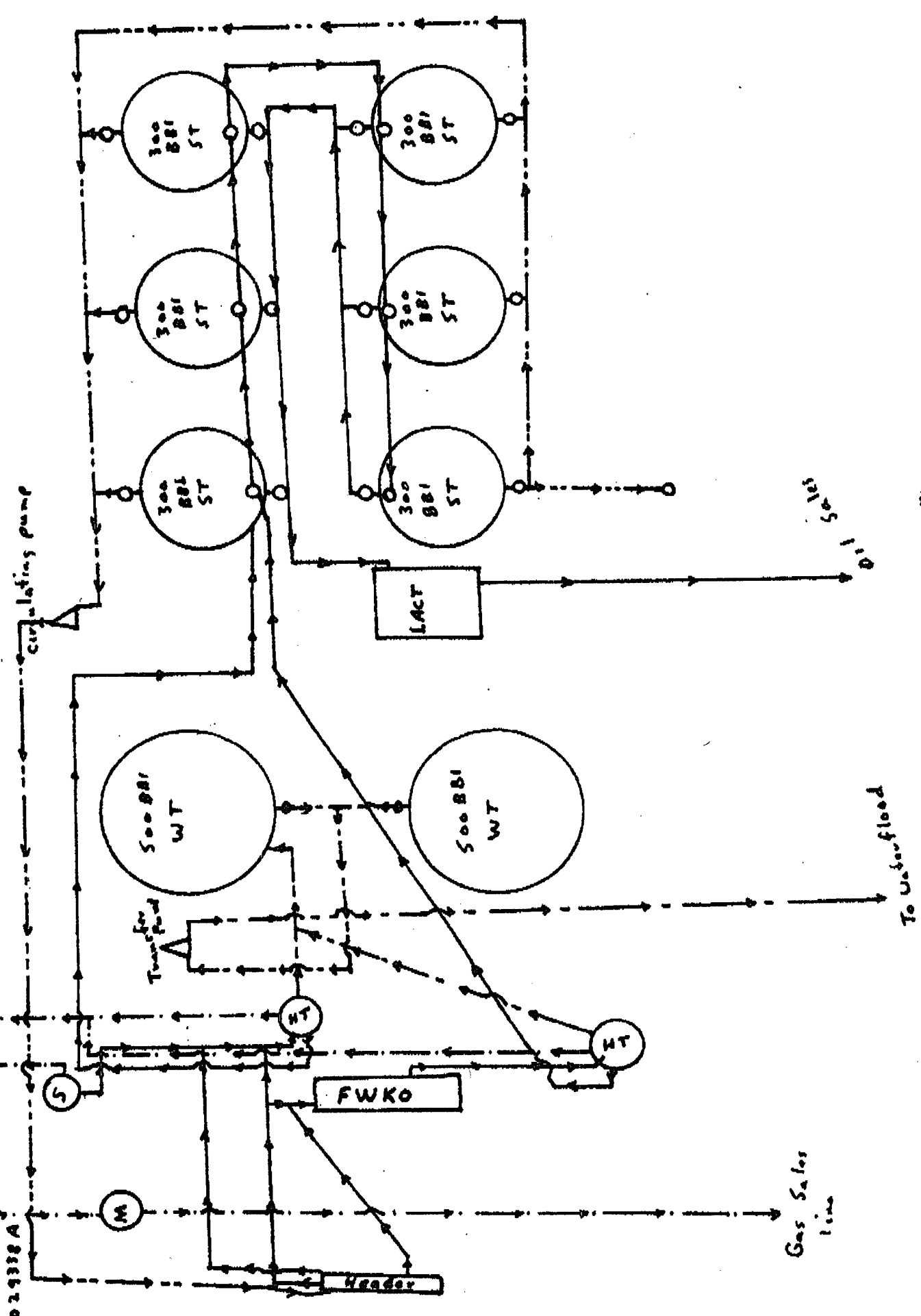
1. B.S. & W. MONITOR
2. SQUARE D, SIZE 1
3. TRANSFER PUMP
4. 2" INVALCO PROBE
5. DIVERT VALVE
6. SAMPLER
7. AIR ELIMINATOR/STRAINER
8. METER
9. BLOCK & BLEED VALVE
10. BACK PRESSURE VALVE
11. SAMPLE TANK
12. SAMPLE MIXING MOTOR
13. CHECK VALVE



00175 4.4 7/2/04 11:40 AM 434

Gas Vent

Purum Oil
Gissler A2 Battery
J Sec 14-T17S-R20E
Eddy Co, W.M.
Lease #LC02938A



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