

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

OIL CONSERVATION DIVISION

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

RECEIVED
RECEIVED
FEB 14 2005
ARTESIA

Form C-106
Revised 4-1-91

ACT Permit No. _____

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator BURNETT OIL CO., INC.

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

Lease(s) to be served by this ACT Unit JACKSON A

C 30-015-04309

Pool(s) to be served by this ACT Unit CEDAR LAKE, YESO (96831)

Location of ACT System: Unit B Section 24 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

Date _____

Authorized transporter of oil from this system NAVAJO REFINING COMPANY

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: _____

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 MATERIALS

COORDINATOR

Date 2/09/05 Telephone (817) 332-5108

OIL CONSERVATION DIVISION

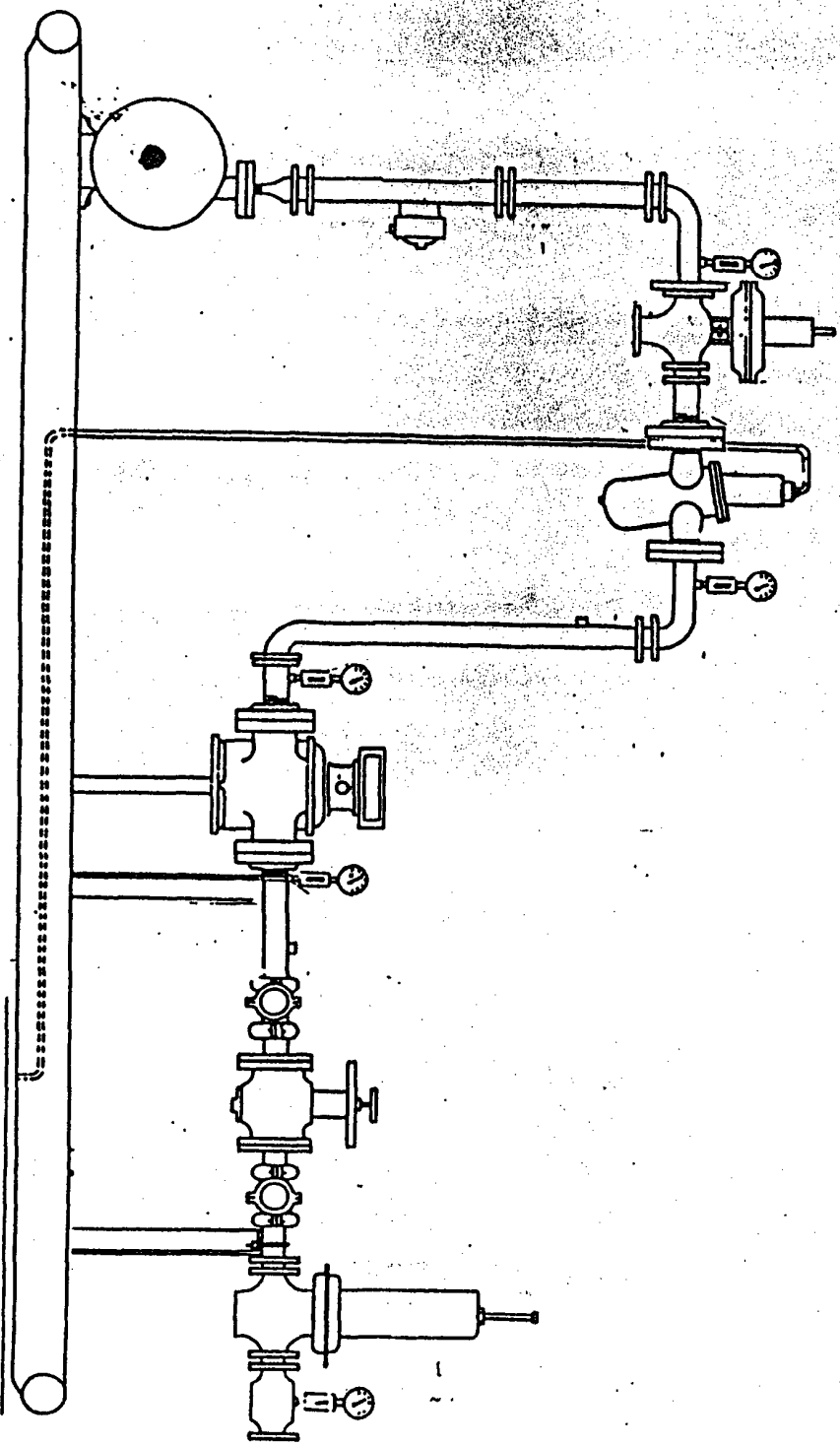
Approved by: _____

Title: _____

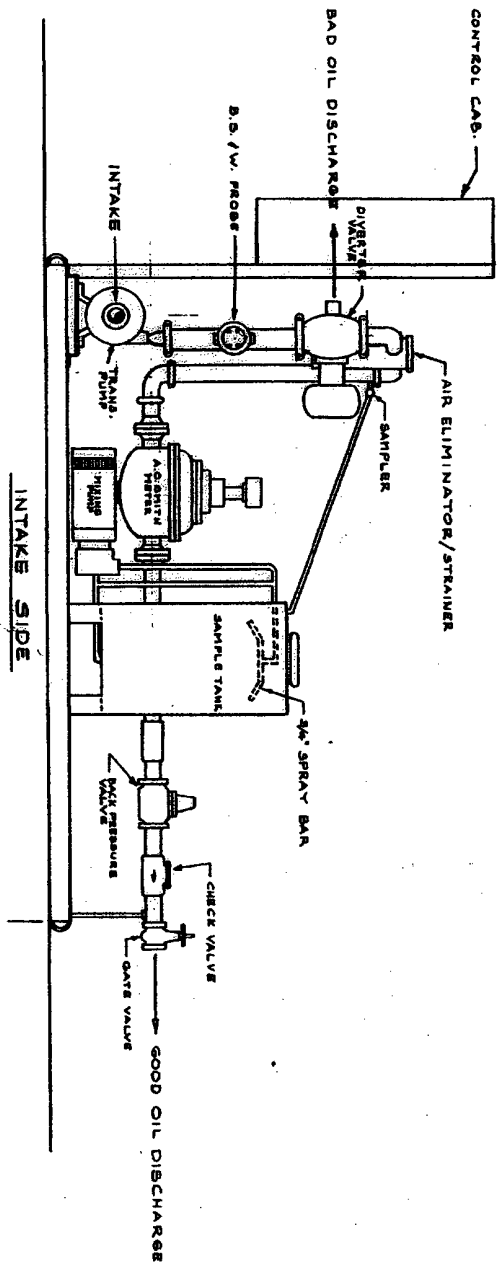
Date: _____

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

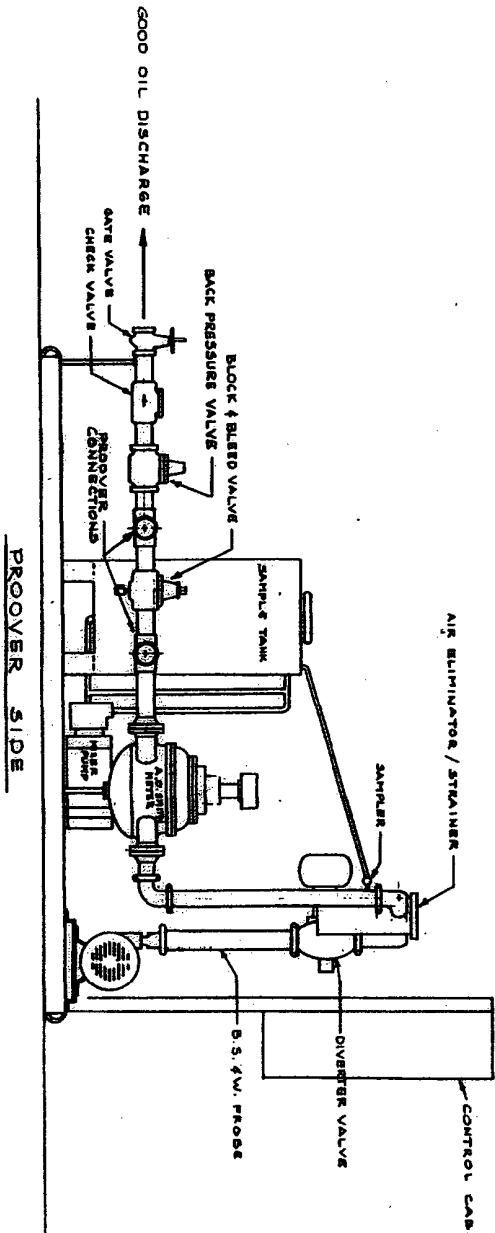
- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.



AMERICAN
VALVE & METER
1113 WEST BROADWAY - HOUSTON, NEW MEXICO
PH. 505-833-6478



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



PREPARED BY:
WESTERN DESIGN & DRAFTING CO.
1706 BRADY AVE.
HOBBES, NEW MEXICO 86240
(505) 393-8108

AIDD CERTIFIED
JWS
JAN. 10, 84
DWB, NO. 8-103

"LACT" UNIT

AMERICAN

VALVE & METER
1113 WEST BROADWAY • HOBBES, NEW MEXICO
PH. 505-383-5476

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

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

COPY OF
LETTER SENT
DIRECT TO
NMOED

February 9, 2005

State of New Mexico
Oil Conservation Division
ATTN: Bryan Arant
P.O. Drawer DD
Artesia, NM 88211-0719

Re: Lact Unit Installation
Burnett Oil Co.
Jackson A
Unit B, Section 24, township 17S, Range 30E

Dear Mr. Arant,

Navajo Pipeline agrees to the utilization of LACT Unit set at Burnett Oil Co. operated Jackson A located in Unit B, Sec. 24, T17S, R30E.

Sincerely,

Jim Townsend
Vice President, Operations

Jackson A (4)
Unit B Sec 24
Township 17S
Range 30E

