

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

30-025-36695

ACT Permit No.  
E-897

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator BP America Production Company

Address P.O. Box 1089, Eunice, NM 88231 County Lea

Lease(s) to be served by this ACT Unit Sunflower 28 State #1

Pool(s) to be served by this ACT Unit Vacuum, Morrow (Gas)

Location of ACT System: Unit I Section 28 Township 17S Range 34E

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 BP Pipeline North America, Inc.

Transporter's address 502 N. West Ave., Levalland, TX 79336

Maximum expected daily through-put for this system: 500 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?

Wellhead Maximum well-head shut-in pressure 5000 psig.

If "B" above is checked, how much storage capacity is available above the normal high working level of the

surge tank 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 Steve Pacheco

Printed Name & Title Steve Pacheco, Measurement Team Lead

E-mail Address pachecsm@bp.com

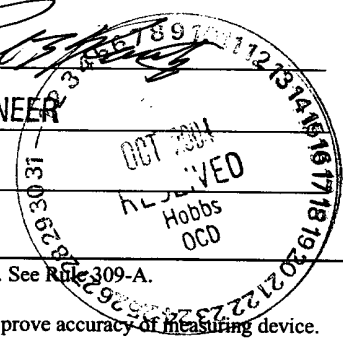
Date 9-29-04 Telephone 505-394-1633

OIL CONSERVATION DIVISION

Approved by: [Signature]

Title: PETROLEUM ENGINEER

Date: OCT 14 2004



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

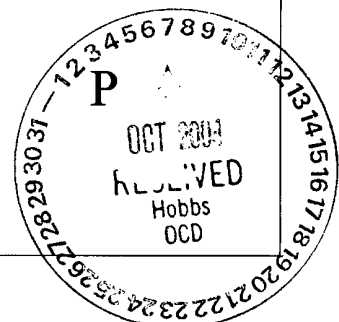
- 1) Lease plat showing all wells which will be produced in ACT system.
- 2) Schematic diagram of battery and ACT equipment showing all major components and means employed to prove accuracy of measuring device.
- 3) Letter from transporter agreeing to utilization of ACT system as shown on schematic diagram.

Sunflower 28 State #1  
LACT  
Unit Letter I, Section 28, T17S, R34E  
Lea County, New Mexico

D	C	B	A
E	F	G	H
L	K	J	I
M	N	O	1

28

LACT



DIKE



OIL TANK  
210 Bbls

LACT

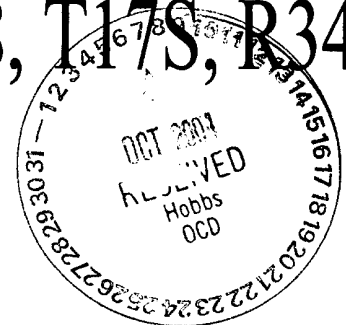
OIL TANK  
210 Bbls

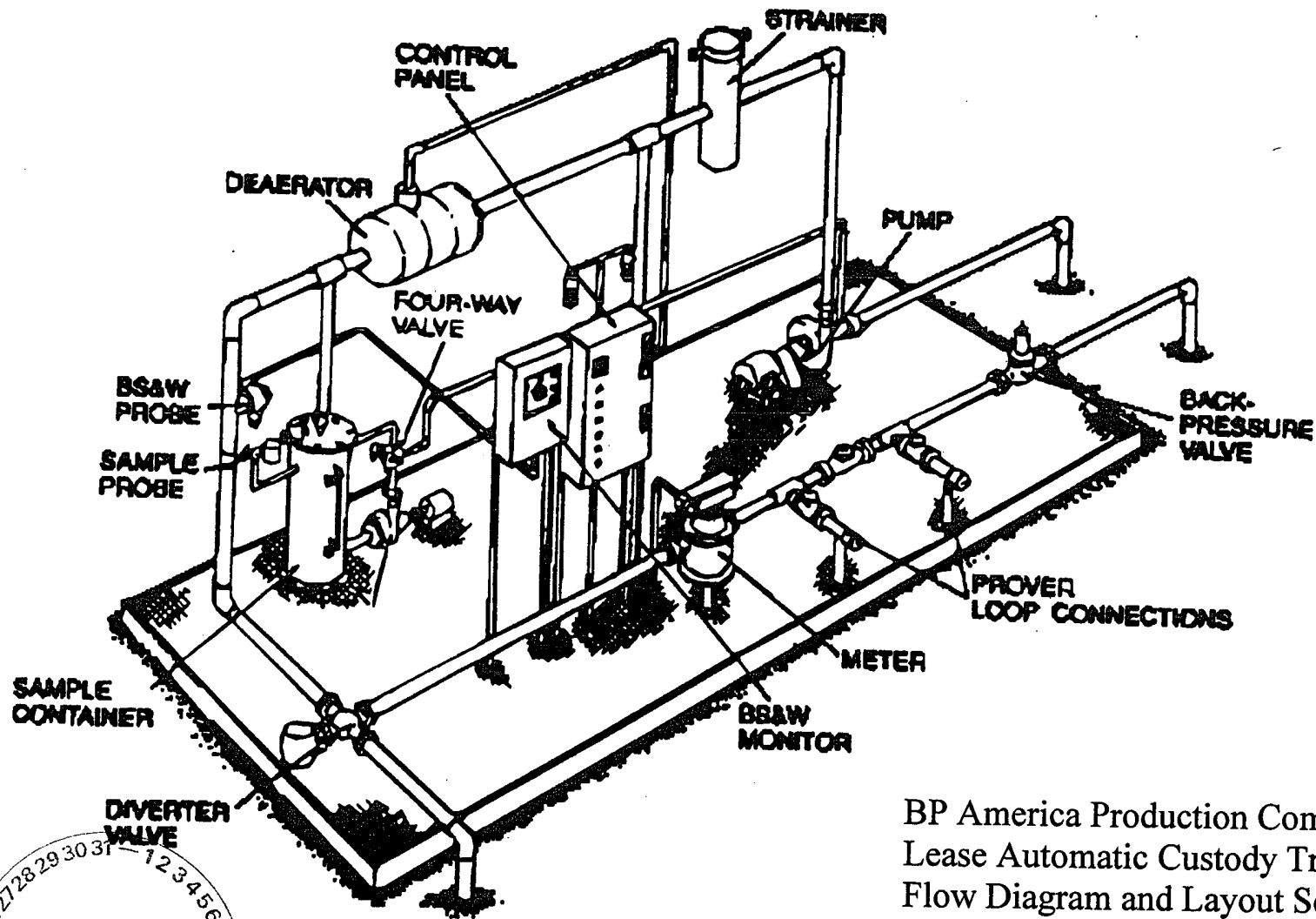
WATER  
TANK  
210 Bbls

Sunflower 28 State #1

LACT

Sec. 28, T17S, R34E





BP America Production Company  
 Lease Automatic Custody Transfer Unit  
 Flow Diagram and Layout Scheme

**LACT UNIT**



bp



BP Pipelines (North America)  
302 E. Ave. A  
Lovington, NM 88260  
(505) 396-2817  
U.S.A.

October 6, 2004

New Mexico Oil Conservation Division  
1625 N. French  
Hobbs, NM 88240

ATTN: Chris Williams

LACT Unit Installations: BP America - Sunflower 28 State #1  
Section 28-17S-34E

BP America, is in the process of petitioning the Division  
for approval to install LACT units at subject locations.

We support and urge your approval of the petitions.

These units will meet BP Pipeline Company specifications if  
designed and installed according to the standards that we  
have furnished to them. Therefore, final approval is subject  
to my inspection after installations have been made by operator.

If you have any questions regarding this matter please call me  
at (505) 396-2817.

Sincerely,

Jimmy Humble  
CORE Team Leader

JH:cb

