

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 March 17, 1999

ACT Permit No.
I-896

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Yates Petroleum Corporation

Address 105 South Fourth Street Artesia N.M County Lea

Lease(s) to be served by this ACT Unit Runnels 'ASP' #5

Pool(s) to be served by this ACT Unit Strawn

Location of ACT System: Unit P Section 11 Township 16S Range 35E

Order No. authorizing commingling between leases if more than one lease is to be served by this system.

N/A Date _____

Order No. authorizing commingling between pools if more than one pool is to be served by this system

N/A Date _____

Authorized transporter of oil from this system BP Pipeline

Transporter's address 502 N. West Avenue Levelland, Tx 79336

Maximum expected daily through-put for this system: 1200 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 1667 BBLS.

What is the normal maximum unattended time of lease operation? 18 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 Sam Brandon

Printed Name & Title Sam Brandon Operations Engineer

Date 06/13/02 Telephone (505) 748-3281

OIL CONSERVATION DIVISION

ORIGINAL SIGNED BY
Approved by GARY W. WINK
OC FIELD REPRESENTATIVE II/STAFF MANAGER

Title: _____

Date: JUL 8 2002

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.

