

NOTICE OF INTENTION

TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator SHELL OIL COMPANY Field VACUUMAddress P.O. Box 1858, ROSWELL, N. MEX. County LEALease(s) to be served by this ACT Unit STATE A, STATE B, STATE FPool(s) to be served by this ACT Unit GLORIETA OK for Drinkard ProdLocation of ACT System: Unit B Sec 31 Twp 17-S Rge 35-E *with amended report rec'd 10/1/99*Order No. authorizing commingling between leases if more than one lease is to be served by this system * R-1290-A Date APRIL 2, 1959Order No. authorizing commingling between pools if more than one pool is to be served by this system * ADMINISTRATIVE ORDER PLC-6 Date DECEMBER 4, 1963Authorized transporter of oil from this system TEXAS-NEW MEXICO PIPELINE CO.Transporter's address P.O. Box 1510, MIDLAND, TEXASMaximum 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 well-head? — 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? 500+ 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: * R-1290-A authorized commingling of San Andres from these leases (Also State H which has since been deleted). PLC-6 authorized comming-

I hereby certify that the information given above is true and complete to the best of my knowledge and that the subject ACT system will be installed and operated in accordance with Rule 309-A.

Approved, Oil Conservation Commission

By L. B. DeedBy James Title DIVISION PROD. SUPT.Title — Date 7/27/64

Approval of Form C-106 does not eliminate the necessity of an approved C-110 prior to running any oil or gas from this system.

ing of San Andres & Glorieta. Since issuance of PLC-6, we have obtained an intermediate market for the Glorieta and therefore request an amendment authorizing separate facilities for each zone.