

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

2040 Pacheco St.

Santa Fe, NM 87505

ACT Permit No.

I-880

NOTICE OF INTENTION TO UTILIZE AUTOMATIC CUSTODY TRANSFER EQUIPMENT

Operator Bristol Resources CorporationAddress 6655 South Lewis, Suite 200County TulsaLease(s) to be served by this ACT Unit Foster, J.A. #3Pool(s) to be served by this ACT Unit Monument ABOLocation of ACT System: Unit P Section 34 Township 19S Range 36E

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 Texas-New Mexico Pipeline Co.Transporter's address 9801 Westheimer, Suite 900, Houston, TX 77042Maximum expected daily through-put for this system: ERROR 200 AS PER R.H. 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 800 BBLs.What is the normal maximum unattended time of lease operation? 24 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

Printed Name & Title Katherine HenshawProduction AnalystDate Telephone 918-523-3069

OIL CONSERVATION DIVISION

ORIGINAL FILED BY CHRIS WILLIAMS

Approved by: DISTRICT I SUPERVISORTitle: Date: MAY 08 1998

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.

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