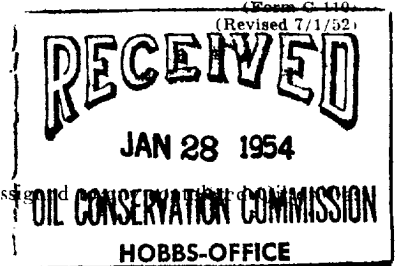


NEW MEXICO OIL CONSERVATION COMMISSION
Santa Fe, New Mexico



It is necessary that Form C-104 be approved before this form can be approved an an *initial* allowable be assigned to a well. Submit this form in QUADRUPLICATE.

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL AND NATURAL GAS

Company or Operator..... Shell Oil Company Lease..... McKinley A
Address..... Box 1957, Hobbs, New Mexico Box 1509, Midland, Texas
(Local or Field Office) (Principal Place of Business)
Unit..... N Well(s) No..... 4 Sec..... 19 T..... 18 R..... 38 Pool..... Hobbs
County..... Lea Kind of Lease:..... Patented

If Oil well Location of Tanks.....

Authorized Transporter..... Phillips Petroleum Co. Address of Transporter
..... Box 758, Hobbs, New Mexico Box 6666, Odessa, Texas
(Local or Field Office) (Principal Place of Business)

Per cent of ~~Oil~~ Natural Gas to be Transported..... 100% Other Transporters authorized to transport Oil or Natural Gas
from this unit are..... None

REASON FOR FILING: (Please check proper box)

NEW WELL..... CHANGE IN OWNERSHIP.....
CHANGE IN TRANSPORTER..... OTHER (Explain under Remarks).....

REMARKS:

This report covers casinghead gas production on the above lease in
accordance with Commission Order R-98-A, Paragraph 2, Rule 1109,
Section (A).

The undersigned certifies that the Rules and Regulations of the Oil Conservation Commission have been complied with.

Executed this the..... day of..... 19.....

L. E. Slagle
L. E. Slagle

Approved....., 19.....

OIL CONSERVATION COMMISSION

Original Signed By

By..... L. E. Slagle

By.....

Title..... Division Production Superintendent

Title.....

INSTRUCTIONS

This form shall be executed and filed in QUADRUPPLICATE with the District Office of the Oil Conservation Commission, covering each unit from which oil or gas is produced. A separate certificate shall be filed for each transporter authorized to transport oil or gas from a unit. After said certificate has been approved by the Oil Conservation Commission, one copy shall be forwarded to the transporter, one copy returned to the producer, and two copies retained by the Oil Conservation Commission.

A new certificate shall be filed to cover each change in operating ownership and each change in the transporter, except that in the case of a temporary change in the transporter involving less than the allowable production for one proration period, the operator shall in lieu of filing a new certificate notify the Oil Conservation Commission District Office, and the transporter authorized by certificate on file with the Commission, by letter of the estimated amount of oil or gas to be moved by the transporter temporarily moving oil or gas from the unit and the name of such temporary transporter and a copy of such notice shall also be furnished such temporary transporter. Such temporary transporter shall not move any more oil or gas than the estimated amount shown in said notice.

This certificate when properly executed and approved by the Oil Conservation Commission shall constitute a permit for pipe line connection and authorization to transport oil and gas from the property named therein and shall remain in full force and effect until

- (a) Operating ownership changes
- (a) The transporter is changed or
- (c) The permit is cancelled by the Commission.

If any of the rules and regulations of the Oil Conservation Commission have not been complied with at the same time this report is filed, explain fully under the heading "REMARKS."

In all cases where this certificate is filed to cover a change in operating ownership or a change in the transporter designated to move oil or gas, show under "REMARKS" the previous owner or operator and the transporter previously authorized to transport oil or gas.

A separate report shall be filed to cover each producing unit as designated by the Oil Conservation Commission.