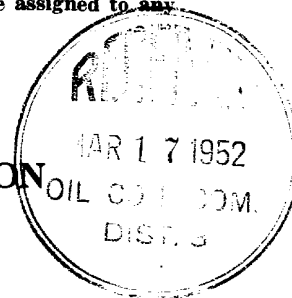


It is necessary that Form C-104 be approved before this form can be approved and an initial allowable be assigned to any completed oil or gas well.

NEW MEXICO OIL CONSERVATION COMMISSION

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL



Company or Operator Potash Company of America Lease Santa Fe #078019

Address Box 31, Carlsbad, New Mexico Same
(Local or Field Office) (Principal Place of Business)

Unit Wells No. 3 Sec. 12 T. 27N R. 11W Pool Kuts County San Juan

Kind of Lease Oil and Gas Location of Tanks None

Transporter Southern Union Gas Company Address of Transporter Farmington, New Mexico
(Local or Field Office)

Burt Bldg., Dallas, Texas Percent of gas to be transported See 100% other transporters authorized
(Principal Place of Business)

to transport oil from this unit are None %

REMARKS:

The undersigned certifies that the rules and regulations of the Oil Conservation Commission have been complied with except as noted above and that gathering agent is authorized to transport the percentage of oil produced from the above described property and that this authorization will be valid until further notice to the transporter named herein or until cancelled by the Oil Conservation Commission of New Mexico.

Executed this the 11th day of March, 1952

Potash Company of America
(Company or Operator)

By L. P. Corbin
Title Mine Geologist

Approved: MAR 17 1952, 1952

OIL CONSERVATION COMMISSION

By [Signature]

Oil and Gas Inspector Dist. #3.

(See Instructions on Reverse Side)

INSTRUCTIONS

Form C-110

This form shall be executed and filed in quadruplicate 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 or gas from the property named therein and shall remain in full force and effect until

- (a) Operating ownership changes
- (b) 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.