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 any completed Oil or Gas well. Submit this form in QUADRUPLICATE.

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

| ompany or OperatorMagnolia Petrole | Lease State "R" |
|---------------------------------------|--|
| ddress Box 727, Kernit, Tomas | Best 900, Ballas, Texas (Principal Place of Business) |
| (Local or Field Office) | , Sec. 1 , T. 17-8 , R. 36-E , Pool Levington Peddock |
| ounty | Kind of Lease: State Comed |
| Oil well Location of Tanks | etion 1, 7-17-8, B-36-E, Lon County |
| uthorized Transporter Towns | ico Pipe Line Company Address of Transporte |
| Box 374, Eunice, New Mexico | Box 1510, Midland, Toxas (Principal Place of Business) |
| | ted |
| rom this unit are | |
| | |
| REASON FOR FILING: (Please check prop | per box) |
| IEW WELL | CHANGE IN OWNERSHIP |
| CHANGE IN TRANSPORTER | OTHER (Explain under Remarks) |
| REMARKS: | |
| Recompleted in Lovington I | Paddock Pool |
| | |
| | |
| | |
| | s and Regulations of the Oil Conservation Commission have been complied with |
| Executed this the16th | .day of |
| | Magnolia Petroleum Company |
| Approved | - FMRD Sell |
| OIL CONSERVATION COMMI | 331UN Dy |
| Ву | Title District Superintendent |

(See Instructions on Reverse Side)

INSTRUCTIONS

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 cach 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 certicate 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.