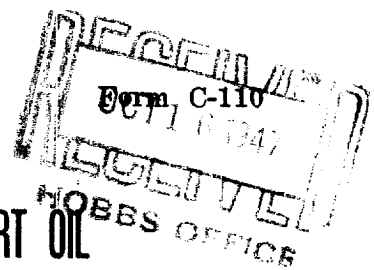


OIL CONSERVATION COMMISSION
STATE OF NEW MEXICO

CERTIFICATE of COMPLIANCE and AUTHORIZATION to TRANSPORT OIL



Company or Operator Priority Drilling Company Lease Little Leachery
Address Box 100, Hobbs, N.M. (Local or Field Office) 1234 5th St., Hobbs, N.M. (Principal Place of Business)
Unit 1 Wells No. 5 Sec. 21 T. 21 R. 37E Field Hobbs County Lea
Kind of Lease Lease Location of Tanks East of Leach
Transporter Priority Drilling Company Address of Transporter Hobbs, N.M.
(Principal Place of Business) (Local or Field Office)
Percent of oil to be transported 100 Other transporters authorized to transport oil from this unit are None %
REMARKS:

Is in accord with production schedule on production basis
October 16, 1947

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 16th day of October, 1947

Priority Drilling Company
(Company or Operator)
By [Signature]
Title Superintendent

State of New Mexico
County of Lea ss.

Before me, the undersigned authority, on this day personally appeared Priority Drilling Company known to me to be the person whose name is subscribed to the above instrument, who being by me duly sworn on oath states that he is authorized to make this report and has knowledge of the facts stated herein and that said report is true and correct.

Subscribed and sworn to before me, this the 16th day of Oct., 1947

Notary Public in and for Lea County, My Comm. Expires 10/24/49

Approved: [Signature] 1947

OIL CONSERVATION COMMISSION

By [Signature]

(See Instruction on Reverse Side)

INSTRUCTIONS

This form shall be executed and filed in quadruplicate with the Oil Conservation Commission at Santa Fe, New Mexico, covering each unit from which oil is produced. A separate certificate shall be filed for each transporter authorized to transport oil 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 month the operator shall in lieu of filing a new certificate, notify the Oil Conservation Commission at Santa Fe, New Mexico, and the transporter authorized by certificate on file with the Commission, by letter of the estimated amount of oil to be moved by the transporter temporarily moving oil 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 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 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, show under "REMARKS" the previous owner or operator and the transporter previously authorized to transport oil.

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