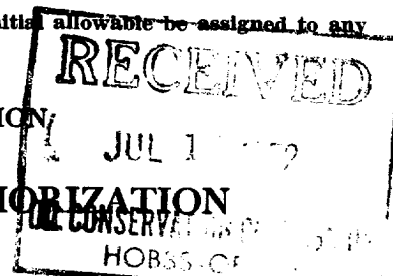


It is necessary that Form C-104 be proved before this form can be approved :
completed oil or gas well.

Initial allowable be assigned to any

NEW MEXICO OIL CONSERVATION COMMISSION

CERTIFICATE OF COMPLIANCE AND AUTHORIZATION
TO TRANSPORT OIL



Company or Operator THREE STATES NATURAL GAS COMPANY Lease Searborough Estate #1
Address Jal., New Mexico Dallas, Texas
(Local or Field Office) (Principal Place of Business)
Unit F Wells No. 1 Sec. 24 T. 26S R. 37E Pool So. Leonard County Lea
Kind of Lease Patented Location of Tanks Center 160 acres
Transporter Texas-New Mexico Pipe Line Co. Address of Transporter Midland, Texas
(Local or Field Office)
Percent of oil to be transported 100% Other transporters authorized
(Principal Place of Business) to transport oil from this unit are None %

REMARKS:

(a) Operatin g ownership change from PLAINS PRODUCTION COMPANY

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 1st day of June, 1952

THREE STATES NATURAL GAS COMPANY
(Company or Operator)

By Joseph C. Gordon
Joseph C. Gordon
Title Agent

Approved: _____, 1952

OIL CONSERVATION COMMISSION

By P. J. Bryan
Engineer District

(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.