

RECEIVED
STATE OF NEW MEXICO
OIL AND GAS DEPARTMENT
SANTA FE, N.M.
JAN 11 1956

GAS POOLING AGREEMENT

THIS AGREEMENT made and entered into the 8th day of February, 1956 by and between GULF OIL CORPORATION, hereinafter called "Gulf", and AMERADA PETROLEUM CORPORATION, hereinafter called "Amerada",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. B-3998 dated May 13, 1935, from the State of New Mexico as Lessor, to Gypsy Oil Company, as Lessee, covering the W $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Amerada is the owner and holder of State of New Mexico Oil and Gas Lease No. A-4096 dated April 21, 1931, covering, among other lands, the E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf and Amerada that this agreement cover the NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico as to dry gas and associated liquid hydrocarbons produced from a gas well, as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Eumont Gas Pool, as defined in said Commission's Order No. R-520, said area being hereinafter referred to as the "Pooled Proration Unit", and

WHEREAS, in order to comply with existing rules and regulations governing gas well spacing and gas proration units, and to acquire a gas allowable for the above-described pooled proration unit, it is the desire of the parties hereto to pool all leasehold and royalty interests in order to form one tract or unit, and

WHEREAS, Gulf desires to operate the pooled proration unit as an entirety for the purpose of developing and producing dry gas and associated liquid hydrocarbons in accordance with the terms and provisions of this agreement,

NOW, THEREFORE, in consideration of the premises and the mutual advantages offered by this agreement, it is mutually covenanted and agreed by and between the parties hereto that the pooled proration unit shall be developed and operated by Gulf, its successors or assigns, for the production therefrom of dry gas and associated liquid hydrocarbons as an entirety, with the understanding and agreement that the dry gas and associated liquid hydrocarbons from the pooled proration unit shall be allocated among the present or future owners of leasehold or royalty interests in the proportion that the acreage interest of each bears to the entire acreage interest committed hereto. There shall be no obligation on Gulf, or its successors or assigns, to offset any gas well or wells on separate component tracts into which such pooled proration unit is now or may hereafter be divided; nor shall Gulf, its successors or assigns be required to separately measure said dry gas or associated liquid hydrocarbons by reason of the diverse ownership of such production in and under said tract, but the lessee shall not be released from the obligation to protect said pooled tract from drainage by any gas well or wells which may be drilled offsetting the said tract. Payment of rentals under the terms of the leases hereinabove mentioned and described shall not be affected by this agreement except as may be herein otherwise provided.

It is further agreed that the commencement, completion, continued operation or production of a well or wells for dry gas and associated liquid hydrocarbons on the pooled proration unit shall be construed and considered as the commencement, completion, continued operation or production from each and all of the lands within and comprising said pooled proration unit, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.

It is the intention of the parties hereto that this agreement shall include and affect only dry gas and associated liquid hydrocarbons produced through a gas well or gas wells as defined by the New Mexico Oil Conservation Commission located on the pooled proration unit and shall not include or affect in any manner whatsoever any of the production of hydrocarbons from any oil well located on the pooled tracts or any of the production of hydrocarbons from other than the Sumont Gas Pool as above defined.

It is further agreed that all production of dry gas and associated liquid hydrocarbons and disposal thereof shall be in conformity with allocations made or fixed by any duly authorized person or regulatory body under applicable Federal or State statute. The provisions of this agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations which affect the performance of any of the provisions of this agreement, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from compliance with any such law, order, rule or regulation.

This agreement shall be effective as of the date upon which the unit allowable established by the New Mexico Oil Conservation Commission first becomes effective and shall remain in force and effect for a period of one (1) year and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from any part of said pooled proration unit in paying quantities. It is further provided that after the expiration of said one-year period should the unit well or wells be reclassified by the New Mexico Oil Conservation Commission, or should the pooled proration unit cease to produce gas in paying quantities from any cause, this agreement shall not terminate, if within six (6) months after the date of any such reclassification or cessation of such production, Operator shall commence operations for the purpose of restoring gas production from the unit, in which event this agreement shall remain in full force and effect during the period such operations are being diligently prosecuted and so long thereafter as dry gas, with or without associated liquid hydrocarbons, is produced from said unit in paying quantities.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year herein first above written.

Attest:


M. M. CRAIG
Assistant Secretary

GULF OIL CORPORATION

By


Vice-President

AMERADA PETROLEUM CORPORATION

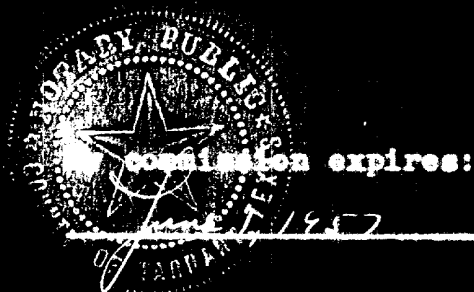
By


President


Assistant Secretary

STATE OF TEXAS }
COUNTY OF TARRANT } ss

The foregoing instrument was acknowledged before me
this 8 day of February, 1956 by H. M. Bayer
Vice-President of GULF OIL CORPORATION, a Pennsylvania
corporation, on behalf of said corporation.



Eva Marie Cooper
Notary Public Eva Marie Cooper

STATE OF Oklahoma }
COUNTY OF Tulsa } ss

The foregoing instrument was acknowledged before me
this 13th day of March, 1956, by E. H. McCrath
President of AMERADA PETROLEUM CORPORATION, a
Delaware corporation, on behalf of said corporation.



My commission expires:
February 20, 1957

**CERTIFICATE OF APPROVAL
BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO
OF COMMUNITIZATION AGREEMENT**

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Communitization Agreement for the development and operation of the NW $\frac{1}{4}$ of Section 29, Township 19 South, Range 37 East, N.M.P.M. Lea County, New Mexico, dated February 8, 1956, which has been executed or is to be executed by parties owning and holding oil and gas leases and royalty interests in and under the property described, and upon examination of said Agreement the Commissioner finds:

- (a) That such Agreement will tend to promote the conservation of oil and gas and the better utilization of reservoir energy in said area;
- (b) That under the operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected;
- (c) That the Agreement is in other respects for the best interest of the State;
- (d) That the Agreement provides for the operation of the area as a unit for the allocation of production and the sharing of proceeds on an acreage basis as specified in the Agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of New Mexico, 1951, I, the undersigned, Commissioner of Public Lands of the State of New Mexico, for the purpose of more properly conserving the oil and gas resources of the State, do hereby consent to and approve the said Agreement, and any leases embracing lands of the State of New Mexico within the communitized area shall be and the same are hereby amended to conform with the terms thereof, and shall remain in full force and effect according to the terms and conditions of said Agreement. This approval is subject to all of the provisions of the aforesaid Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of the State of New Mexico, 1951.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 20th day of April, 1956.



Esuvalhe
Commissioner of Public Lands
of the State of New Mexico