



PETROLEUM AND ITS PRODUCTS

GULF OIL CORPORATION

P. O. DRAWER 669 • ROSWELL, NEW MEXICO

F. E. CURTIS, JR.
ZONE LANDMAN

December 13, 1956

FORT WORTH
PRODUCTION DIVISION

B. V. Culp (NCT-B)
Eumont Gas Unit No. 1 -
SE/4 Section 31-19S-37E,
Lea County, New Mexico,
Map R-2.

Gulf's Baxter V. Culp
Lease No. 13,996.
Administrative Order NSP-291-A.

Oil Conservation Commission
Box 871
Santa Fe, New Mexico
Attention: Mr. A. L. Porter

Oil Conservation Commission
1200 West Broadway
Hobbs, New Mexico
Attention: Mr. R. F. Montgomery

Gentlemen:

We enclose herewith, for your information and file, a photo-static copy of the gas pooling agreement between Gulf and Amerada Petroleum Corporation covering the above described tract, dated August 29, 1956.

It is requested that the gas allowable for Gulf's B. V. Culp "B" well No. 1, located 2310 feet from the south and east lines of Section 31-19S-37E, now be increased in accordance with Administrative Order NSP-291-A.

Very truly yours,


F. E. CURTIS, JR.

SHC:mt
Enc.

GAS POOLING AGREEMENT

B. V. CULP (NCT-B) EUMONT GAS UNIT NO. 1

THIS AGREEMENT made and entered into this 29th day of August, 1956, by and between GULF OIL CORPORATION, hereinafter called "Gulf" or "Operator", and AMERADA PETROLEUM CORPORATION, hereinafter called "Amerada" or "non-operator".

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of Oil and Gas lease dated May 6, 1926, from Baxter V. Culp, et ux, as Lessor, to Gypsy Oil Company, as Lessee, covering the N/2 of the SE/4 and the SE/4 of the SE/4, Section 31, Township 19-South, Range 37-East, N.M.P.M., Lea County, New Mexico, among other lands; and

WHEREAS, Amerada is the owner and holder of Oil and Gas Lease dated June 18, 1935, from C. H. Kyte, et ux, as Lessor, to Amerada Petroleum Corporation, as Lessee; Oil and Gas Lease dated January 27, 1936, from Quapaw Trading Company, Inc. and Midland Investment Company, as Lessors, to Amerada Petroleum Corporation, as Lessee; Oil and Gas Lease dated December 24, 1935, from Saltmount Oil Corporation, as Lessor, to Amerada Petroleum Corporation, as Lessee; Oil and Gas Lease dated February 25, 1936, from Baxter V. Culp, et ux, as Lessor, to Amerada Petroleum Corporation, as Lessee; and Oil and Gas Lease dated March 3, 1936, from Mineral Investing Corporation, as Lessor to Amerada Petroleum Corporation, as Lessee, all of which cover undivided interests in the SW/4 of the SE/4, Section 31, Township 19-South, Range 37-East, N.M.P.M., Lea County, New Mexico, in all a full interest.

WHEREAS, it is the desire of Gulf and Amerada that this agreement cover the SE/4 of Section 31, 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 which shall be known as the B. V. Culp (NCT-B) Eumont Gas Unit No. 1, 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 unit, but the lessee shall not be released from the obligation to protect said unit from drainage by any gas well or wells which may be drilled offsetting the said unit. 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 hereinabove described 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 Eumont 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, this instrument is executed in duplicate on the day and year herein first above written.

GULF OIL CORPORATION

Law	<i>1956</i>
Comptr.	
Exp.	<i>1956</i>
Prod.	

By *[Signature]*
VICE PRESIDENT

ATTEST:

[Signature]
Assistant Secretary
H. M. CRAIG

AMERADA PETROLEUM CORPORATION

Law	
Comptr.	
Exp.	
Prod.	

By *[Signature]*
President

ATTEST:

[Signature]
Assistant Secretary

STATE OF TEXAS)
COUNTY OF TARRANT) SS

The foregoing instrument was acknowledged before me this 29 day of August, 1956, by H. M. Bayer, VICE PRESIDENT of GULF OIL CORPORATION, a Pennsylvania corporation, on behalf of said corporation.

[Signature] M. B. CHIPPEAUX
NOTARY PUBLIC

MY COMMISSION EXPIRES:

June 1, 1957

STATE OF Oklahoma)
COUNTY OF Tulsa) SS

The foregoing instrument was acknowledged before me this 18 day of October, 1956, by *[Signature]*, President of AMERADA PETROLEUM CORPORATION, a Delaware corporation, on behalf of said corporation.

[Signature]
NOTARY PUBLIC

MY COMMISSION EXPIRES:

February 26 - 1957