

GAS POOLING AGREEMENT

R. R. BELL (NCF-A) LUMONT GAS UNIT NO. 1

THIS AGREEMENT made and entered into this 13th day of July, 1956 by and between GULF OIL CORPORATION, hereinafter called "Gulf" or "Operator", and THE ATLANTIC REFINING COMPANY, hereinafter called "Atlantic" or "Non-Operator",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated September 10, 1931, from the State of New Mexico, as lessor, to Gypsy Oil Company, as lessee, covering, among other lands, the S/2 SE/4 of Section 8 and the W/2 SE/4 of Section 9, Township 21-South, Range 36-East, NMPM, Lea County, New Mexico, and

WHEREAS The Atlantic Refining Company is the owner and holder of an oil and gas lease dated November 21, 1931, from the State of New Mexico, as lessor, to Atlantic Oil Producing Company, as lessee, covering, among other lands, the W/2 SE/4 of Section 8, Township 21-South, Range 36-East, NMPM, Lea County, New Mexico, and

WHEREAS, it is the desire of the parties hereto that this agreement cover the SE/4 of Section 8 and the W/2 SE/4 of Section 9, Township 21-South, Range 36-East, NMPM, Lea County, New Mexico, as to gas produced from gas wells as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Lumont Gas pool as defined by the Commission, and that the said area shall be hereinafter referred to as the "Pooled Proration Unit" and which shall be known and designated as "R. R. Bell (NCF-A) Lumont 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 allowance 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

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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 Bement 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

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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.

This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, personal representatives, successors, and assigns, and may be executed in one or more counterparts and all counterparts so executed shall be taken as a single instrument or may be ratified or consented to by separate instruments, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.

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

OPERATOR:

GULF OIL CORPORATION

By [Signature]

SEARCHED	INDEXED
SERIALIZED	FILED

ATTEST:

[Signature]
Notary Public

NON-OPERATOR:

THE ATLANTIC REFINING COMPANY

By [Signature]
General Manager

ATTEST:

[Signature]
Assistant Secretary

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STATE OF TEXAS
COUNTY OF TARRANT

SS

The foregoing instrument was acknowledged before me
this 11th day of July, 1956, by
F. E. GARDNER, Attorney-in-Fact of GULF OIL CORPORATION,
a Pennsylvania corporation, on behalf of said corporation.

Bertine H. Lander
Notary Public

My Commission Expires:

June 1, 1957

STATE OF Texas
COUNTY OF Dallas

SS

The foregoing instrument was acknowledged before me
this 23rd day of October, 1956, by
GENERAL MANUFACTURING
DOMESTIC CREDIT CORPORATION of The ATLANTIC TRADING
CO. INC., a Pennsylvania corporation, on behalf
of said corporation.

Thelma Mae Tipton
Notary Public

My Commission Expires:

June 1, 1957

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CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

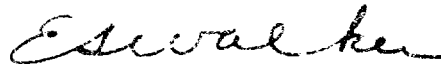
GULF'S R. R. BELL "A" NO. 2 WELL COMMUNITIZATION

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Agreement for the development and operation of acreage which is described within the attached Agreement, dated July 13, 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 proposed agreement the State of New Mexico will receive its fair share of the recoverable oil or gas in place under its lands in the area.
- (c) That each beneficiary institution of the State of New Mexico will receive its fair and equitable share of the recoverable oil and gas under its lands within the area.
- (d) That such agreement is in other respects for the best interests of the state, with respect to state lands.

NOW, THEREFORE, by virtue of the authority conferred upon me under Sections 7-11-39, 7-11-40, 7-11-41, 7-11-47, 7-11-48, New Mexico Statutes Annotated 1953 Compilation, 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 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 statutes.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this 9th day of November 19 56.



Commissioner of Public Lands
of the State of New Mexico



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