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## GAS POOLING AGREEMENT

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

THIS AGREEMENT made and entered into this 21<sup>st</sup> day of December, 1937, by and between GULF OIL CORPORATION, hereinafter called "Gulf", SHELL OIL COMPANY, hereinafter called "Shell", and PHILLIPS PETROLEUM COMPANY, hereinafter called "Phillips",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated May 6, 1921, from Baxter V. Culp, et ux, as Lessor, to Gypsy Oil Company, as Lessee, covering among other lands the SW/4 NW/4, E/2 NW/4, and the NE/4 of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Gulf is also the owner and holder of State of New Mexico oil and gas lease No. A-1945 dated December 29, 1923, 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 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Shell is the owner and holder of State of New Mexico oil and gas lease No. B-1117 dated September 6, 1932, from the State of New Mexico, as Lessor, to Shell Petroleum Corporation, as Lessee, covering among other lands the N/2 SE/4 of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Phillips is the owner and holder of an oil and gas lease dated August 7, 1923, from Harvey Culp, et al, as Lessor, to B. L. Thorne, as Lessee, covering the NW/4 NW/4 of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of all of the parties hereto that this agreement cover the N/2 and the SE/4 of Section 19, Township 19 South, Range 37 East, N.M.P.M., Lea County, New Mexico

# ILLEGIBLE

as to dry gas and associated liquids produced from a gas well, as defined by the New Mexico Oil Conservation Commission within the vertical limits of the current gas pool, as defined in said Commission's Order No. 10, said area hereinafter being referred to as the "Pooled Production Unit", and

WHEREAS, in order to comply with existing rules and regulations governing pooled production and gas production units, and to acquire a unit of production as above described pooled production unit, it is the intent of the parties hereto to pool all leasehold and royalty interests in order to form one tract or unit, and

WHEREAS, said parties intend to operate the pooled production 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 appearing in this agreement, it is mutually covenanted and agreed by and between the parties hereto that the pooled production 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 production of said unit shall be allocated among the separate tracts comprising said unit in the proportion that the average acreage of the surface area of the tracts bears to the entire surface area of said unit. There shall be no obligation on Gulf, its successors or assigns, to drill any gas well or wells or operate or maintain any tracts which said pooled production unit as now or hereafter be divided, and shall Gulf, its successors or assigns or assignees be required to severally measure said dry gas or associated liquid hydrocarbons from any of the diverse ownership interests included in said unit or tract, but the lease shall not be released from the obligation to produce and deliver to the owner of the surface area of the

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well or wells shall not be subject to shut-in on the said tract. Payment of rentals shall be made as hereinabove mentioned and a similar well shall be drilled by this agreement except as may be required by applicable law.

It is the intent of the parties hereto that the drilling, completion, continued operation and production of well or wells for dry gas and associated liquid hydrocarbons from a pooled production unit shall be considered as a unit for the purpose of the drilling, completion, continued operation and production of such and all of the tracts within and comprising said pooled production unit.

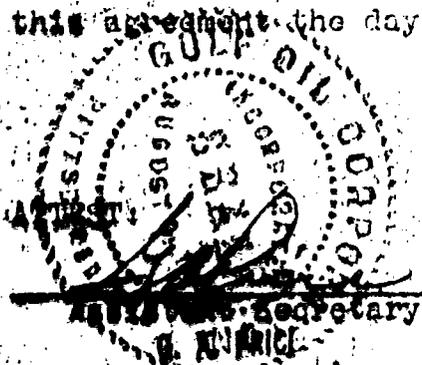
It is the intent of the parties hereto that this agreement shall include and cover the production of dry gas and associated liquid hydrocarbons from a gas well or gas wells as defined by the North Dakota Conservation Commission located on the pooled production unit and shall not be affected in any manner whatsoever by the production of hydrocarbons from any oil well located within the boundaries of any of the production of hydrocarbons from a gas well or gas wells as above defined.

It is further agreed that the production of dry gas and associated liquid hydrocarbons from a gas well or gas wells shall be in conformity with all applicable laws, rules and regulations of any duly authorized person or regulatory agency and applicable Federal or State statute. The provisions of this agreement shall be subject to any applicable Federal or State laws or executive orders, rules or regulations which affect the performance of any of the provisions of this agreement, and any party to this agreement shall suffer a forfeiture or be liable in damages if it fails to comply with any of the provisions of this agreement if such compliance is prevented by any applicable Federal or State law, rule or regulation.

This agreement shall be binding on the parties hereto and their heirs, assigns and legal representatives and shall survive the death of any of the parties hereto.

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.

  
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 Assistant Secretary

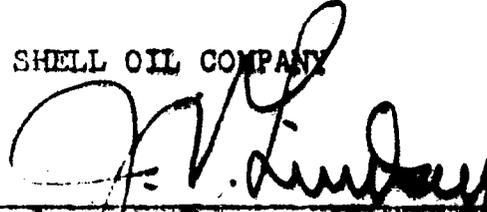
GULF OIL CORPORATION

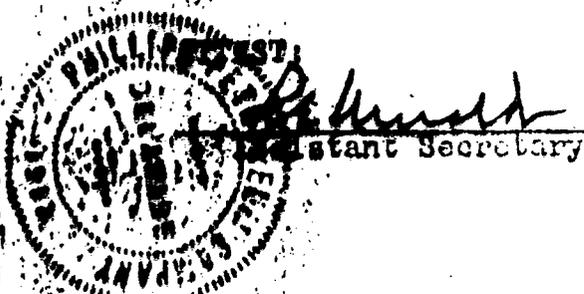
By   
 W. A. SHELLSHEAR  
 ATTORNEY-IN-FACT

Law	<input checked="" type="checkbox"/>
Contract	<input checked="" type="checkbox"/>
Eng	<input checked="" type="checkbox"/>
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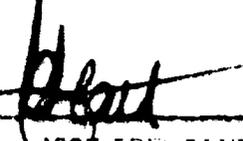
  
 \_\_\_\_\_  
 Assistant Secretary

SHELL OIL COMPANY

By   
 ATTORNEY-IN-FACT

  
 \_\_\_\_\_  
 Assistant Secretary

PHILLIPS PETROLEUM COMPANY

By   
 VICE PRESIDENT

OK  
 9/11/33

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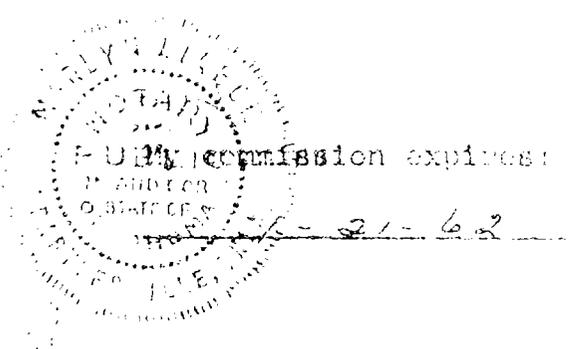
STATE OF OKLAHOMA        |

COUNTY OF WASHINGTON    |

On this 27th day of January, 1958, before me personally appeared W. C. Hargis, to me personally known, who being by me duly sworn did say that he is the President of PHILLIPS PETROLEUM COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation, and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and the said W. C. Hargis acknowledged said instrument to be the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal on this, the day and year last above written.

Marion L. Lister  
Notary Public in and for Washington  
County, Oklahoma



CERTIFICATE OF APPROVAL

BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO

**GULF'S B. V. CULP "A" NO. 3 WELL- COMMUNITIZATION**

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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 December 26, 1957, 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 12th day of August 19 58.

  
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Commissioner of Public Lands  
of the State of New Mexico

