

EXHIBIT "A"

PJ. 175

POOLING AGREEMENT

THIS AGREEMENT, entered into this 25th day of August, 1960 by and between AZTEC OIL & GAS COMPANY, HARRY W. YOUNG and MARGUERITE W. YOUNG, his wife, JOHN J. REDFERN, JR. and ROSALIND REDFERN, his wife, J. H. HERD and HARRIET D. HERD, his wife, JOHN J. CHRISTMANN and FRANCES BROWNFIELD CHRISTMANN, his wife, JACK MARKHAM and MARY BOONE MARKHAM, his wife, JACK D. THORNTON and EULA V. THORNTON, his wife, JAMES R. STEPHENS and Yvonne A. STEPHENS, his wife, HOWARD E. HENDERSON and Betty J. HENDERSON, his wife, J. T. HUTTON and PARALLEE A. HUTTON, his wife, and VERNA DRAGOO, widow of E. E. DRAGOO;

W I T N E S S E T H :

WHEREAS, the parties hereto are the owners of interests in the oil, gas and other minerals in, under and that may be produced from the various parcels of land described in Exhibit "A" hereto attached, said parcels together comprising the following described tract of land situated in San Juan County, New Mexico, to-wit:

Township 29 North, Range 12 West, N.M P.M.

Section 2:  $N\frac{1}{2}$ , containing 320 acres,  
more or less

(hereinafter referred to as "Pooled Area")

WHEREAS, compliance with the rules and regulations of the Oil Conservation Commission of the State of New Mexico, governing exploration and development of the Dakota formation, requires the pooling of the above described interests to form a drilling unit of 320 acres, more or less; and

WHEREAS, the parties hereto desire to pool their respective mineral interests in the lands described above for the purpose of developing the Dakota formation and producing dry gas and associated liquid hydrocarbons therefrom in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the covenants and agreements hereinafter set forth, the parties hereto agree and bind themselves as follows:

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The mineral interests of the parties hereto in, under and that may be produced from the lands described above are hereby pooled insofar as they extend to and include the Dakota formation underlying said lands and the dry gas and associated liquid hydrocarbons (hereinafter referred to as "pooled substances") producible from such formation.

Attached hereto and made a part of this Agreement for all purposes, is Exhibit "A" showing the acreage, percentage and ownership of mineral interests in all lands within the pooled area.

AZTEC OIL & GAS COMPANY shall develop and operate the pooled area for the production of pooled substances, and such development and operation shall be conducted as though the pooled area were covered by a single oil and gas lease executed by all persons owning any interest therein.

The working interests, royalties, overriding royalties, and other burdens now existing or which may hereafter be created, accruing or payable with respect to production of pooled substances from the pooled area shall be determined and paid on the basis prescribed in the individual leases covering said parcels as summarized in Exhibit "A", but such production shall be allocated to the separate parcels into which the pooled area is now or may hereafter be divided, in the proportions that the acreage contained in each such parcel bears to the entire acreage contained in the pooled area, and all such interests in production shall be paid upon or out of such production so allocated in the same manner and to the same extent as though the pooled substances so allocated to each parcel had actually been produced from such tract under the terms of the oil and gas lease covering such parcel.

The commencement, drilling, completion and operation of the well to be drilled hereunder shall be and hereby is considered and construed as the commencement, drilling, completion and operation of a well under the terms of each oil and gas lease described on Exhibit "A" and under the terms of any assignment or other instrument covering or affecting any portion of the pooled area, and production of pooled substances from any portion of the pooled area shall be considered and construed

as productive under the terms of each said oil and gas leases or other instruments covering or affecting any portion of the pooled area and shall continue each of said leases or other instruments in full force and effect as to all lands covered thereby in the same manner and to the same extent as though produced from the land described in and conveyed by such lease or other instrument.

There shall be no obligation on Operator to furnish separate measuring or receiving facilities because of the various ownerships pooled hereby.

As herein modified, each of the oil and gas leases described on Exhibit "A" is expressly ratified and confirmed and held to be in full force and effect as to the lands covered thereby.

The parties hereto expressly authorize Operator to accept payment for all pooled substances produced, saved and sold from any well on the pooled area and make distribution to the parties hereo in accordance with the terms and provisions of this Agreement and further agree to execute and deliver such division or transfer orders or other instruments as may be deemed desirable by Operator or by the purchaser of such production. Should title to any interest covered hereby fail, in whole or in part, or should a dispute as to such title arise, Operator is authorized to withhold that portion of the proceeds from production of pooled substances that would otherwise have been payable to such interest pending a determination of the proper ownership thereof, and thereafter to make payment thereof in accordance with such determination.

This Agreement shall be effective as of the date hereof and shall remain in force and effect for a period of two (2) years and so long thereafter as pooled substances are or can be produced from the pooled area or operations, whether drilling or reworking, are being conducted thereon, and if production results from such operations, for so long thereafter as pooled substances are or can be produced.

This Agreement and all operations contemplated hereby shall be subject to any and all applicable laws of the United States of America or the State of New Mexico, and all applicable rules, orders, and regulations promulgated by any officer, board or commission pertaining to the drilling, development and operation of oil and gas leases. In the event operator is unable to comply with any of the provisions of this Agreement, or of the leases described in Exhibit "A", by reason of the foregoing, then the terms of such leases and the time of performance hereunder shall be extended during the period of such rule, order, regulation or law and for a period of ninety (90) days thereafter.

This Agreement may be executed in counterpart by the parties hereto and shall be binding upon any such party so executing whether or not it is executed by any other party. This Agreement binds and inures to the benefit of the respective heirs, personal representatives, successors and assigns for each party hereto and shall be deemed a covenant running with the leasehold title to each of the leases described in Exhibit "A".

Executed as of the year and date first above set forth.

ATTEST:

AZTEC OIL & GAS COMPANY

Richard L. Ward  
Secretary

By Quilman P. Davis V.P.  
Vice President

Harry W. Young

Marguerite W. Young, his wife

John Redfern, Jr.  
John J. Redfern, Jr.

Rosalind Redfern  
Rosalind Redfern, his wife

J. H. Herd  
J. H. Herd

Harriet D. Herd  
Harriet D. Herd, his wife

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John J. Christmann  
John J. Christmann

Frances Brownfield Christmann  
Frances Brownfield Christmann,  
his wife

Jack Markham  
Jack Markham

Mary Boone Markham  
Mary Boone Markham, his wife

Jack D. Thornton  
Jack D. Thornton

Eula V. Thornton  
Eula V. Thornton, his wife

James R. Stephens  
James R. Stephens

Yvonne A. Stephens  
Stephens, his wife

Howard E. Henderson  
Howard E. Henderson

Betty J. Henderson  
Henderson, his wife

J. B. Hatter

Frances A. Hatter, his wife

Verna Drago  
Verna Drago, a widow of P. E.  
Drago



STATE OF TEXAS )  
COUNTY OF MIDLAND ) SS

On this 19<sup>th</sup> day of ~~August~~ <sup>September</sup>, 1960, before me personally appeared John J. Redfern, Jr. and Rosalind Redfern, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

LILLIAN KOTHLEY - NOTARY PUBLIC  
IN AND FOR MIDLAND COUNTY, TEXAS

Lillian Kothley  
Notary Public in and for

Midland County, Texas

My Commission Expires:

6-1-61

STATE OF TEXAS )  
COUNTY OF MIDLAND ) SS

On this 9<sup>th</sup> day of ~~August~~ <sup>September</sup>, 1960, before me personally appeared J. H. Herd and Harriet D. Herd, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

LILLIAN KOTHLEY - NOTARY PUBLIC  
IN AND FOR MIDLAND COUNTY, TEXAS

Lillian Kothley  
Notary Public in and for

Midland County, Texas

My Commission Expires:

6-1-61

STATE OF Texas )  
COUNTY OF Hubbuck ) SS

On this 12<sup>th</sup> day of ~~August~~ <sup>September</sup>, 1960, before me personally appeared John J. Christmann and Frances Brownfield Christmann, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Charles M. Wilson (Charles M. Wilson)  
Notary Public in and for

Hubbuck County, Texas

My Commission Expires:

6-1-61

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STATE OF Texas  
COUNTY OF Hubbuck

}  
} SS

On this 12<sup>th</sup> day of ~~August~~ <sup>September</sup>, 1960, before me personally

appeared Jack Markham and Mary Boone Markham, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Charles M. Wilson (Charles M. Wilson)  
Notary Public in and for

Hubbuck County, Texas

My Commission Expires:

6-1-61

STATE OF TEXAS  
COUNTY OF Midland

}  
} SS

On this 13<sup>th</sup> day of ~~August~~ <sup>September</sup>, 1960, before me personally

appeared Jack D. Thornton and Eula V. Thornton, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Lillian Keithley  
Notary Public in and for

Midland County, Texas

My Commission Expires:

6-1-61

STATE OF New Mexico  
COUNTY OF San Juan

}  
} SS

On this 30 day of ~~August~~ <sup>Sept.</sup>, 1960, before me personally

appeared James R. Stephens and Yvonne D. Stephens, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Louise Madden  
Notary Public in and for

San Juan County, N. Mex.

Commission Expires:

12/31/60

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STATE OF New Mexico )  
COUNTY OF San Juan ) SS

On this 30 day of ~~August~~ Sept., 1960, before me personally appeared Howard E. Henderson and Betty J. Henderson, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Lucille Mason  
Notary Public in and for  
San Juan County, N.M.

My Commission Expires:  
10/24/60

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) SS

On this \_\_\_\_\_ day of August, 1960, before me personally appeared J. T. Hutton and Parallee A. Hutton, his wife, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

\_\_\_\_\_  
Notary Public in and for  
\_\_\_\_\_ County, \_\_\_\_\_

My Commission Expires:  
\_\_\_\_\_

STATE OF New Mexico )  
COUNTY OF San Juan ) SS

On this 9th day of ~~August~~ Oct, 1960, before me personally appeared Verna Dragoo, widow of E. E. Dragoo, to me known to be the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

John F. Locher  
Notary Public in and for  
San Juan County, N.M.

My Commission Expires:  
2/24/64

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Exhibit "A" to Pooling Agreement dated August 25,  
1950, embracing: T-29-N, R-12-W, Section 2: N $\frac{1}{2}$   
San Juan County, New Mexico

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Operator of Pooled Area: Aztec Oil & Gas Company

DESCRIPTION OF LEASES COMMITTED

Tract No. 1

File No.: NM-22  
Lease Committed By: Aztec Oil & Gas Company  
Lessor: Florence A. Kattler and Frederick Kattler, her husband  
Original Lessee: Southern Union Production Company  
Date of Lease: January 11, 1943  
Recorded: Book 99, Page 425, San Juan County, New Mexico  
Description of Lands Committed: T-29-N, R-12-W  
Section 2: NW $\frac{1}{4}$   
Number of Acres: 160.00 acres  
Working Interest and Percentage: Aztec Oil & Gas Company 87.5%  
R. I. and Percentage: Harry W. Young, et ux 12.5%

Tract No. 2

File No. NM-33  
Lease Committed By: Aztec Oil & Gas Company  
Lessor: Mrs. Louise Beck, a widow  
Original Lessee: Southern Union Production Company  
Lessee of Record: Aztec Oil & Gas Company  
Date of Lease: April 15, 1945  
Recorded: Book 99, Page 498, San Juan County, New Mexico  
Description of Lands Committed: T-29-N, R-12-W  
Section 2: NW $\frac{1}{4}$ NE $\frac{1}{4}$ , S $\frac{1}{2}$ NE $\frac{1}{4}$   
Number of Acres: 120.00 acres  
Working Interest and Percentage: Aztec Oil & Gas Company 87.5%  
R. I. and Percentage: John J. Redfern and wife, Rosalind Redfern 1.0205%  
Rosalind Redfern 3.0625%  
J. H. Herd and wife, Harriet D. Herd 2.0420%

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NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Case 2324 Date \_\_\_\_\_

Operator \_\_\_\_\_ Lease \_\_\_\_\_ Well No. \_\_\_\_\_

Name of Producing Formation \_\_\_\_\_ Pool \_\_\_\_\_

No. Acres Dedicated to the Well \_\_\_\_\_

SECTION 2 TOWNSHIP 29 RANGE 12

			Dragoo
Kattlers Young 1/8 OR		Beck.	

I hereby certify that the information given above is true and complete to the best of my knowledge.

Name \_\_\_\_\_  
Position \_\_\_\_\_  
Representing \_\_\_\_\_  
Address \_\_\_\_\_

(over)

February 27, 1960

CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Mr. Harry W. Young  
510 Main Street  
Springfield, Massachusetts

Re: PU-175, N $\frac{1}{2}$  Sec. 2, 29N, 12W  
San Juan County, New Mexico

Dear Mr. Young:

On October 10, 1960, we sent you two copies of a Pooling Agreement pertaining to the pooling of the captioned acreage for the drilling of a Dakota test well thereon.

As you know, the New Mexico Oil Conservation Commission requires the pooling of 300 acres for the drilling of Dakota wells.

As the royalty owner under the Northwest Quarter of Section 2, it is required that you sign the Pooling Agreement covering this proposed unit. Since we have not received the signed copy of the Pooling Agreement, we assume it never reached you and are, therefore, sending two additional copies to be signed by you and your wife. As you will note, this Agreement has been signed by all the other interested parties.

Please execute, having your signatures notarized, and return one copy of the Agreement to us at your earliest convenience so that we may complete our plans to drill this well sometime this Spring.

Yours very truly,

VLS:mjb  
Enclosures

BEFORE EXAMINER UTZ
OIL CONSERVATION COMMISSION
<u>BHP</u> EXHIBIT NO. <u>1</u>
CASE NO. <u>2324</u>

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# 1-INSTRUCTIONS TO DELIVERING EMPLOYEE

Deliver *ONLY* to addressee

Show address where delivered

*(Additional charges required for these services)*

**RETURN RECEIPT**

Received the numbered article described on other side.

SIGNATURE OF NAME OF ADDRESSEE (must always be filled in)

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

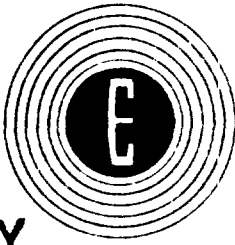
DATE DELIVERED

ADDRESS WHERE DELIVERED (only if requested in item # 1)

- MAR 2 1961

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EDSEL



MERCURY  
COMET

YOUNG MOTOR CO., Inc.

Telephone RE 6-1769 510 Main St.  
SPRINGFIELD, MASS.

April 23, 1961

Mr. H. L. Snider  
920 Mercantile Securities Bldg.  
Dallas 1, Texas

Re: PO 175 N $\frac{1}{2}$  Sec 2, 29N, 12W  
San Juan County, New Mexico

Dear Mr. Snider:

On returning from a trip around the world April 17,  
I read your letter proposing I sign article A,  
which as yet I have not done.

As a business man, I cannot sign same under conditions  
as set forth in Article A. I have not been receiving  
from you an amount equal to 10% of my investment and  
risk in the already existing lease.

I might be interested, as long as I have 160 acres and  
you have the other 160 acres, in going on an equal basis of  
drilling a well - provided stipulations are made as to  
costs, and the price to be received for contemplated pro-  
duction.

These are my sentiments, as I have the same arrangements  
and in production with El Paso Natural Gas.

Sincerely yours,

Harry W. Young

HWY:c

BEFORE EXAMINER UTZ	
OIL CONSERVATION COMMISSION	
EXHIBIT NO.	2
CASE NO.	2324