

# State of New Mexico



PHIL R. LUCERO  
COMMISSIONER



Commissioner of Public Lands

P. O. BOX 1148  
SANTA FE, NEW MEXICO 87501

nor shall the undersigned be required to measure separately the communitized substances by reason of the diverse ownership of the separate tracts of land comprising the said communitized area; provided, however, that the parties hereto shall not be released from their obligation to protect the communitized area from drainage of communitized substances by wells which may be drilled within offset distance (as that term is defined) of the communitized area.

6. The Commencement, Completion, and Continued operation of production of a well or wells for communitized substances on the communitized area shall be considered as the commencement, completion, continued operation or production as to each of the leases described in Exhibit "A" hereto.

7. The production of communitized substances and disposal thereof shall be in conformity with the allocations, allotments and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State laws or statutes. This Agreement shall be subject to all applicable Federal and State Laws, executive orders, rules and regulations affecting the performance of the provisions hereof, 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 compliance is prevented by or if such failure results from compliance with any such laws, orders, rules and regulations.

8. Texas Oil & Gas Corp. shall be the Operator of said communitized area and all matters of operation shall be determined and performed by Texas Oil & Gas Corp..

9. This Agreement shall be effective as of the date herein-above written upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Commissioner of Public Lands, shall remain in full