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ROYALTY POOLING AGREEMENT

Mesquite Tank Area

Chaves County, New Mexico

This Royalty Pooling Agreement is entered into this 25th day of August, 1992, effective as of June 6, 1992, by and between L E Minerals, Ltd. (hereinafter "L E"), The J.E. and L.E. Mabee Foundation, Inc. (hereinafter "Mabee") and Plains Radio Petroleum Co. (hereinafter "Plains Radio Petroleum").

Recitals

L E and Mabee, without warranty, represent that they each own 37.5% of the minerals (hereinafter collectively the "L E/Mabee Minerals") in and under the following described property located in Chaves County, New Mexico, to-wit:

Township 11 South, Range 28 East, N.M.P.M.

Tract 1: E/2 of Section 29
Tract 2: E/2 of Section 30
Tract 3: W/2 of Section 32
Tract 4: SW/4 of Section 33
Tract 5: Lots 1-4, E/2W/2 of Section 31

comprising 1,451.18 acres, more or less (hereinafter the "L E/Mabee Lands").

Plains Radio Petroleum, without warranty, represents that it owns 75% of the minerals (hereinafter the "Plains Radio Petroleum Minerals") in and under the following described property in Chaves County, New Mexico, to-wit:

NEW MEXICO
OIL CONSERVATION DIVISION

S+J EXHIBIT 2

CASE NO 10718

Township 11 South, Range 28 East, N.M.P.M.

Tract 1: W/2 of Section 29
Tract 2: W/2 of Section 30
Tract 3: E/2 of Section 32
Tract 4: SE/4 of Section 33
Tract 5: E/2 of Section 31

comprising 1,440 acres, more or less (hereinafter the "Plains Radio Petroleum Lands").

The 25% mineral interest in the L E/Mabee Lands and the Plains Radio Petroleum Lands other than the L E/Mabee Minerals and the Plains Radio Petroleum Minerals are believed to be owned by third parties in consistent percentages throughout said lands. The absence of said third party mineral owners in this Agreement shall not affect the binding nature of this Agreement on L E, Mabee and Plains Radio Petroleum as hereinafter set forth. This Agreement does not, and is not intended to, benefit any parties other than the signatories hereto.

The L E/Mabee Lands are subject to Oil and Gas Lease in favor of Plains Radio Petroleum dated June 7, 1989, Book 61, page 382 of the Chaves County, New Mexico records (hereinafter the "L E/Mabee Lease") as amended by Ratification and Amendment of Oil and Gas Lease dated August 11, 1992, effective as of June 6, 1992.

The L E/Mabee Lease reserves in favor of L E and Mabee a 3/16 royalty on oil and gas as to all tracts except Tract 5 thereof where a 1/5 royalty is

reserved. Said royalty, to the extent of 3/16 only, shall be hereinafter referred to as the "L E/Mabee Royalty".

Plains Radio Petroleum is in the process of executing a farmout agreement on certain of the Plains Radio Petroleum Lands which will provide for the granting of an Oil and Gas Lease upon the satisfaction of certain conditions reserving at least a 3/16 royalty on oil and gas (although unexecuted, hereinafter the "Plains Radio Petroleum Lease"). Said royalty (or a similar mineral interest in any portion of the Plains Radio Petroleum Lands not covered by the Plains Radio Petroleum Lease), to the extent of 3/16 only, shall be hereinafter referred to as the "Plains Radio Petroleum Royalty".

Agreement

In consideration of the mutual benefits to be derived by L E, Mabee and Plains Radio Petroleum, the parties hereby agree as follows:

1. Designation of Pooled Area: L E, Mabee, and Plains Radio Petroleum hereby designate the total of the L E/Mabee Lands and the Plains Radio Petroleum Lands as a pooled unit (hereinafter the "Pooled Area") upon the terms and conditions hereinafter set forth. The L E/Mabee Royalty and the Plains Radio Petroleum Royalty are hereby pooled so that operations in or on the Pooled Area may be conducted as if said Pooled Area had been included in a single lease executed by L E, Mabee and Plains Radio Petroleum and as if said lease contained all the provisions of this Agreement.

2. Effect of Drilling and Production Operations: Drilling or production operations on any part of the L E/Mabee Lease and the Plains Radio Petroleum Lease shall be subject in all respects to the terms and provisions thereof, which shall be unaffected by this Agreement other than as relates to payment of proceeds attributable to the L E/Mabee Royalty and the Plains Radio Petroleum Royalty.

3. Disposition of Production Proceeds: Should production be obtained from the Pooled Area, the proceeds thereof attributable to the L E/Mabee Royalty and the Plains Radio Petroleum Royalty shall be distributed as follows:

L E	$1/2 \times 37.5\% \times 3/16$
Mabee	$1/2 \times 37.5\% \times 3/16$
Plains Radio Petroleum	<u>$1/2 \times 75\% \times 3/16$</u>
TOTAL	$75\% \times 3/16$

Any additional interests which L E, Mabee or Plains Radio Petroleum may hold with respect to production from the Pooled Area (including but not limited to the additional 1/80 royalty interest of L E and Mabee in Lots 1-4, E/2W/2 Section 31 of the L E/Mabee Lands) shall be unaffected by this agreement in all respects. The parties hereto expressly disclaim any intent to cross-convey the L E/Mabee Minerals, L E/Mabee Royalty, Plains Radio Petroleum Minerals, or Plains Radio Petroleum Royalty as regards the Pooled Area. Nothing contained in this paragraph shall be construed to impose any duty upon Plains Radio Petroleum to pay royalty under the L E/Mabee Lease other than that inherent in its status as Lessee under said lease.

4. Failure of Title: Should a portion of the L E/Mabee Royalty or the Plains Radio Petroleum Royalty be lost as to all or part of the Pooled Area through failure of title, the interest (as to the Lands) so affected shall be proportionately reduced from that shown in paragraph 3 above unless the party credited with contributing the affected interest shall, within ninety (90) days from final determination of title failure, cure (at its sole expense) the entirety of the title failure. Should all of the L E/Mabee Royalty or the Plains Radio Petroleum Royalty be lost as to all or part of the Pooled Area through failure of title, this Agreement shall terminate as to the lands so affected unless the party credited with contributing the affected interest shall, within ninety (90) days from final determination of title failure, cure (at its sole expense) the entirety of the title failure.

5. Term: This Agreement shall remain in effect until the earlier occurrence of the following:

- (a) The expiration of both the L E/Mabee Lease and the Plains Radio Petroleum Lease in their entirety due to the failure of the lessees to commence drilling operations within the respective primary terms of said leases, to diligently prosecute said drilling operations thereafter, or to thereafter obtain production under said leases in paying quantities;
- (b) In the event that either the L E/Mabee Lease or the Plains Radio Petroleum Lease is extended by reason of

the commencement of drilling operations within the respective primary terms of said leases and after diligent prosecution thereof, production under either of said leases is obtained in paying quantities, for a period of four years from and after the date such continuous production is first obtained as to the entire Pooled Area and thereafter for so long as production in paying quantities is obtained only as to those lands and depths earned under the respective provisions of said leases.

6. Successors and Assigns: The terms and provisions of this agreement shall be covenants running with the entire Pooled Area and shall be binding upon and inure to the benefit of the successors and assigns of the parties, and any transfer, assignment or conveyance of the L E/Mabee Minerals, L E/Mabee Royalty, Plains Radio Petroleum Minerals, or Plains Radio Petroleum Royalty shall be made expressly subject to the terms and provisions of this agreement.

7. No Partnership: The parties hereto expressly disclaim any intent to create a relationship of partnership or an association for profit between or among the parties.

8. Limitation of Scope: This agreement shall have no effect whatsoever upon the surface estate of the Pooled Area, including but not limited to matters related to surface easements or water usage.

9. No Merger: Nothing contained within this agreement shall be construed to effect a merger of the Plains Radio Petroleum Minerals or Plains Radio Petroleum Royalty with any other interest that it may own in the Pooled Area.

10. Amendment of Leases: The terms and provisions of the L E/Mabee Lease and the Plains Radio Petroleum Lease, more particularly any pooling clauses contained therein, are hereby amended to the extent necessary to make them conform to the terms and provisions of this agreement, but not otherwise.

EXECUTED the day and year first above written.

L E MINERALS, LTD., a Limited Partnership

By J. Phelps White, III
J. Phelps White, III
Sole General Partner

THE J.E. AND L.E. MABEE FOUNDATION, INC.

By John H. Conway, Jr.
John H. Conway, Vice-Chairman

PLAINS RADIO PETROLEUM CO.

By JIM W. WALKER
JIM W. WALKER, President

[illegible]

The foregoing instrument was acknowledged before me this 27th day of August, 1992 by J. Phelps White, III, sole general partner of L E Minerals, Ltd., a New Mexico limited partnership, on behalf of said partnership.

Debbie Comette
Notary Public

My Commission Expires:

June 18, 1996

[illegible]

The foregoing instrument was acknowledged before me this 3rd day of September, 1992 by Jim W. Walker, president of Plains Radio Petroleum Co., a Texas corporation, on behalf of said corporation.

Gilda J. McFarland
Notary Public

My Commission Expires:

June 1, 1993

STATE OF OKLAHOMA)
) ss.
COUNTY OF Tulsa)

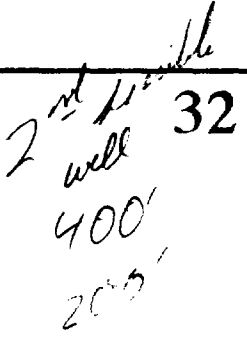
The foregoing instrument was acknowledged before me this 25th day of August, 1992 by John H. Conway, Vice-Chairman of The J.E. and L.E. Mabee Foundation, Inc., an Oklahoma corporation, on behalf of said corporation.

Wesley Anderson
Notary Public

My Commission Expires:

 3/25/95

watercourse



MESQUITE TANK PROSPECT
Chaves County, New Mexico
T/MISSISSIPPIAN
Interpreted by Thomas Ratliff 11/92

Feb 1992

CASE NO. 10718