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NUMINER OF COPIES RECEIVED		MEXICO OIL CO	NSERVATI	ON COMMUSION	FORM C-110	
SANTA FL						
FILE U.S. G.a.	-4 T	SANTA FE, NEW MEXICO (Rev. 7-60)				
LAND OFFICE	CERTIFICATE OF COMPLIANCE AND AUTHORIZATION					
OIL TRANSPORTER GAS						
RORATION OFFICE						
FILE THE ORIGINAL AND 4 COPIES WITH THE APPROPRIATE OFFICE						
Company or Operator	ilm.			Graham State (NCI		
Unit Letter Section	Township	Range	•	County		
J 25	19-8	19-8 34		Iøs		
Pool	Kind of Lease (State, Fed Fee)					
Bumont Gas				State		
If well produces oil or condensate Unit Letter Section Township					Range	
give location of tanks						
Authorized transporter of oil or condensate Address (give address to which approved copy of this form is to be sent)						
Authorized transporter of on Condensate						
With horizont						
Is Gas Actually Connected? YesNo						
Authorized transporter of casing head gas or dry gas Date Con- Address (give address to which approved copy of this form is to be sent)						
Autonized transporter of casing ice		nected				
Northern Natural Gas Company P. C. Box 2376, Hobbs, New Mexico						
If gas is not being sold, give reason	ns and also explain its pres	sent disposition:				
RE. SON(S) FOR FILING (please check proper box)						
New Well						
Change in Transporter (check one) Other (explain below)						
Oil						
Casing head gas . Condensate						
To charge name of gas transporter.						
Remarks						
1						
The second second benefities - (the Oil Concernation Commission have been complied with						
The undersigned certifies that the Rules and Regulations of the Oil Conservation Commission have been complied with.						
Executed this the day of , 19 52.						
By						
OIL CONSERV	ATION COMMISSION			() //		
Approved by Ant Kussell						
Title						
Alto 1	MU		ί.	rea Production Nana	Sel	
Title		Co	mpany		· · · · · · · · · · · · · · · · · · ·	
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			G	ulf 011 Corporation	l i	
Date		Ad	dress	······································		
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GAS POOLING AGREEMENT

GRAHAM-STATE (NCT) "C" EUMONT GAS UNIT 1

THIS AGREEMENT made and entered into the <u>12</u> day of <u>Jecember</u>, 19<u>55</u>, by and between GULF OIL CORPORATION, hereinafter called "Gulf", and SUN OIL COMPANY, hereinafter called "Sun",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. A-1543 dated December 29, 1928, from the State of New Mexico as lessor, to Gypsy Oil Company, as lessee, covering, among other lands, the $W_2^{\frac{1}{2}}E_2^{\frac{1}{2}}$ of Section 25, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Gulf is the owner and holder of State of New Mexico Oil and Gas Lease No. A-459 dated May 27, 1927, from the State of New Mexico as lessor, to Lola B. Martin, as lessee, covering, among other lands, the $E_2^1SE_4^1$ of Section 25, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, Sun is the owner and holder of State of New Mexico Oil and Gas Lease No. B-2287 dated December 11, 1933, from the State of New Mexico as lessor, to Sun Oil Company, as lessee, covering, among other lands, the $E_2^1NE_4^1$ of Section 25, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico; and

WHEREAS, it is the desire of Gulf and Sun that this agreement cover the $E_2^{\frac{1}{2}}$ of Section 25, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, as to dry gas and associated liquid hydrocarbons produced from a gas well, as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Eumont Gas Pool, as defined in said Commission's Order No. R-520, dated August 12, 1954, said area hereinafter being referred to as the "Pooled Proration Unit" which shall be known as the Graham-State (NCT) "C" Eumont Gas Unit 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 allowable 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 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 Eumont 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

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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 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 this instrument is executed in duplicate on the day and year herein first above written.

ATTEST

GULR OIL CORPORATION ce-President SUN OIL COMPANY

STATE OF TEXAS I COUNTY OF TARRANT

On this and day of <u>March</u>, 192, before me personally appeared <u>H. M. Bayer</u>, to me personally known, who being by me duly sworn did say that he is <u>Vice-President</u> of GULF OIL CORPORATION 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 <u>H. M. Bayer</u> 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.

Eva Marie Cooper Notary Public in and for Tarrant

County, Texas

June 1, 1957

STATE OF TEXAS

COUNTY OF DALLAS

On this <u>18</u> day of <u>finit</u>, <u>19</u> v</u>, <u>before me</u> personally appeared <u>T.F.Hill</u>, to me personally known, who being by me duly sworn did say that he is the <u>Agent and Arrowney in Jact</u> of SUN OIL 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 <u>T.F.Hill</u> 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.

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Notary in and for Dallas County, Texas

My commission expires:

CEU:eap 3-14-56 (5)

June 1, 1957

CERTIFICATE OF APPROVAL BY COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO OF COMMUNITIZATION AGREEMENT

There having been presented to the undersigned Commissioner of Public Lands of the State of New Mexico for examination, the attached Communitization Agreement for the development and operation of the E/2 of Section 25, Township 19 South, Range 36 East, N.M.P.M., Lea County, New Mexico, dated December 12, 1955, 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 operations proposed, the State will receive its fair share of the recoverable oil or gas in place under its land in the area affected:
- (c) That the Agreement is in other respects for the best interest of the State;
- That the Agreement provides for the operation (d) of the area as a unit for the allocation of production and the sharing of proceeds on an acreage basis as specified in the Agreement.

NOW, THEREFORE, by virtue of the authority conferred upon me by Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of New Mexico, 1951, 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 communitized 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 pro-visions of the aforesaid Chap. 88 of the Laws of the State of New Mexico, 1943, as amended by Chap. 162 of the Laws of the State of New Mexico, 1951.

IN WITNESS WHEREOF, this Certificate of Approval is executed, with seal affixed, this //th day of ______ , 19<u>56</u>.

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Commissioner of Public Lands of the State of New Mexico

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