

GAS POOLING AGREEMENT

DRINKARD "B" BLINEBRY GAS UNIT NO. 1

THIS AGREEMENT made and entered into this 6<sup>th</sup> day of July, 1956 by and between GULF OIL CORPORATION, hereinafter called "Gulf" or "Operator", and WESTERN OIL FIELDS, INC., hereinafter called "Western" or "Non-Operator", and other parties who execute or ratify this instrument, hereinafter called "Subscribers",

WITNESSETH, that

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated April 3, 1944, from Allen M. Drinkard, a single man, lessor, to Gulf Oil Corporation, lessee, covering, among other lands, the  $W\frac{1}{2}SE\frac{1}{4}$  of Section 30, Township 22 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and

WHEREAS, Gulf is the owner and holder of an oil and gas lease dated April 3, 1944, from Allen M. Drinkard, a single man, lessor, to Gulf Oil Corporation, lessee, covering, among other lands, the  $SE\frac{1}{4}SE\frac{1}{4}$  of Section 30, Township 22 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and

WHEREAS, Western is the owner and holder of an oil and gas lease dated March 11, 1950, from A. M. Drinkard, et al, lessors, to Western Oil Fields, Inc., lessee, covering, among other lands, the  $NE\frac{1}{4}SE\frac{1}{4}$  of Section 30, Township 22 South, Range 38 East, N.M.P.M., Lea County, New Mexico, and

WHEREAS, it is the desire of the parties hereto that this agreement cover the  $SE\frac{1}{4}$  of Section 30, Township 22 South, Range 38 East, N.M.P.M., Lea County, New Mexico, as to gas produced from gas wells as defined by the New Mexico Oil Conservation Commission, within the vertical limits of the Blinebry Gas Pool as defined by the Commission, and that said area shall be hereinafter referred to as the "Pooled Proration Unit" which shall be known as Drinkard "B" Blinebry Gas Unit No. 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