

herein "the pooled leases" and the lands included within the pooled unit shall be sometimes called herein "the pooled area."

### III.

The drilling of any well on the pooled area with a gas producing horizon as its objective, or reworking operations upon any gas well upon the pooled area, shall be considered, for all purposes, as drilling or reworking operations upon land covered by each of the pooled leases, and the production of gas from any tract of land within the pooled area shall be considered for all purposes (except for payment of royalties), as production from land covered by each pooled lease, and such drilling or reworking operations and such production shall continue each pooled lease in force as to all minerals and as to all lands covered by such lease in accordance with its terms and provisions in the same manner as if such drilling or reworking operations were on, or such production were from, land covered by each such lease. There shall be no obligation, express or implied, on SHELL to drill offset wells on any part of the pooled area to any gas well or wells located on any other part of the pooled area, and said leases, in so far as they cover land in the pooled area, may be developed and operated for gas purposes by SHELL as a unit, without regard to the boundaries of the separate tracts constituting the pooled area. SHELL shall have the right to use, free of cost, gas and water produced from the pooled area for all operations thereon, whether such operations be for oil, gas, or other minerals; provided, however, that SHELL shall not have the right to use water from water wells of the lessors.

### IV.

ROYALTY OWNERS hereby combine and pool their respective royalties on gas under the pooled leases as to the pooled area so that, while this agreement continues in force, such royalties shall be owned and paid as follows:

It shall be assumed that the full 100% mineral interest in the gas rights under the entire surface area of the pooled area has been lawfully pooled hereunder and same shall be called "mineral acres." There shall then be allocated to each separate lease covering lands within the pooled area that portion of the total gas production from the pooled area which the number of "mineral acres" in the lands covered by such lease within the pooled area (i.e., the total number of surface acres covered by such lease within the pooled area multiplied by the fraction representing the total gas mineral interests therein, full or partial as the case may be, covered by such lease) bears to the total number of "mineral acres" in the pooled area; and royalty on such allocated portion of the gas production shall be paid to the ROYALTY OWNERS under such lease who are bound by this agreement, as though such portion of the gas production were the actual gas production from such lease. Any divided royalty within a lease as to the lands within the pooled area shall be treated as unitized as to such lands for the purpose of paying royalties on production allocated to such lease.

It is agreed that the number of acres designated in Exhibit "A" hereof as the number of acres included in each respective tract described in said Exhibit "A" shall be conclusive and binding upon all parties hereto for the purpose of making the allocation between the respective pooled leases provided for above.

### V.

SHELL shall have the right to conduct such gas pressure maintenance or recycling operations on the pooled area as SHELL may desire, and SHELL shall have the right to drill input wells and to convert producing or abandoned wells into input wells at such locations on the pooled area as SHELL may select, together with the right to reinject into a producing formation or formations all or any part of the gas, either processed or in its original state, produced from the pooled area. Such ones of ROYALTY OWNERS as have, own or claim an interest in the surface of the lands within the pooled area hereby grant to SHELL, its successors and assigns, an easement and right of way over and across said lands and the right of ingress and egress for the purpose