

(5) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in said unit the opportunity to recover or receive without unnecessary expense his just and fair share of the gas in said pool, the subject application should be approved by pooling all mineral interests, whatever they may be, within said 160-acre unit.

(6) That the alternative application, for a 159-acre unit, should be dismissed.

(7) That the applicant should be designated the operator of the subject well and unit.

(8) That any non-consenting working interest owner that has not paid his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 50 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(9) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(10) That \$771.00 should be fixed as a reasonable charge for supervision (combined fixed rates) while drilling the subject well and \$150.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates) while producing; that the operator should be authorized to withhold from production the proportionate share of such supervision charges attributable to each non-consenting working interest, and in addition thereto, the operator should be authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

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SEP 9 1977 (11) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of O. C. C. ownership.

ARTESIA, OFFICE

IT IS THEREFORE ORDERED:

(1) That effective August 3, 1977, all mineral interests, whatever they may be, in the Delaware formation underlying the SE/4 of Section 15, Township 23 South, Range 26 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a standard 160-acre gas spacing and proration unit to be dedicated to the J.M. Huber Corporation Parr Well No. 1 located 990 feet from the South line and 990 feet from the East line of said Section 15.