

Case No. 9694  
Order No. R-8262-A  
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(10) On June 20, 1989, Oryx Energy Company, as an owner in the E/2 of said Section 12, filed an application with the Division for an order pooling the E/2 of said Section 12 with the W/2 which is already dedicated to the Johnson Federal "12" Well No. 5 and thereby forming a 640-acre proration unit.

(11) Both Mallon Oil Company and Oryx Energy Company have been able to agree upon the following terms and conditions that would apply in the event the Division grants the compulsory pooling application:

- (a) Mallon Oil Company shall continue as operator of the subject well and the 640-acre oil spacing and proration unit;
- (b) any working interest owner in the Section has the right under compulsory pooling statutes (Section 70-2-17[c]) to seek a compulsory pooling for the existing well;
- (c) The subject spacing and proration unit should be made effective July 12, 1989;
- (d) The monthly overhead operating charge should be \$380.00 per month;
- (e) The original actual costs of the well when completed in 1986 as set forth in Order R-8262 were \$565,840.00;
- (f) A 30-day notice period should be afforded by Mallon to any working interest owner in the E/2 of said Section after entry of the order within which to pay their proportionate share of the reasonable reimbursement to the original owners for participation; and
- (g) In the event any working interest owner in the E/2 fails to make timely payment within the period required, that interest shall be deemed to have elected not to participate and Mallon shall have the right to recover out of production that party's share of the reimbursement.

(12) Mallon and Oryx have not been able to agree upon the reasonable charges to any consenting working interest owner in the E/2 of Section 12 for participation in the Johnson Federal "12" Well No. 5.