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in is therefore ordered: order C- 5262 8-31-76

(1) That all mineral interests, whatever they may be, in the Pennsylvanian formation underlying Section 28, Township 24 South, Range 26 East, NMPM, White City-Pennsylvanian Gas Pool, Eddy County, New Mexico, are hereby pooled to form a standard 640-acre gas spacing and proration unit to be dedicated to applicant's White City Penn Gas Com Unit No. 3 Well No. 1) feet from the West line of said Section 28.

PROVIDED HOWEVER, that the operator of said unit shall commence the drilling of said well on or before the 1st day of December, 1976, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Pennsylvanian formation;

PROVIDED FURTHER, that in the event said operator does not commence the drilling of said well on or before the 1st day of December, 1976, Order (1) of this order shall be null and void and of no effect whatsoever; unless said operator obtains a time extension from the Commission for good cause shown.

PROVIDED FURTHER, that should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Commission and show cause why Order (1) of this order should not be rescinded.

(2) That Gulf Oil Corporation is hereby designated the operator of the subject well and unit.

(3) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(4) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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