

(5) The applicant owns or represents more than 64% of the working interest in the proposed spacing unit and has the right to drill the proposed well. Documents were submitted to show that diligent efforts had been made to contact other working interest owners to obtain their voluntary agreement or to lease their interests. The applicant's land witness testified that Wood Oil Company has verbally committed to lease their 10 acres to the applicant but written confirmation has not been received. This 10 acres would increase the interest committed to the unit to approximately 89%.

(6) Prior to the hearing the Division received a letter from Smith-Clement Exploration. Smith-Clement has a leasehold interest on 1/4 acre proposed for inclusion in this spacing unit as well as 1/4 acre in each of 2 other spacing units proposed in Case Nos. 11023 and 11024 which were heard along with this case. Smith-Clement does not want to be required to make all three elections at the same time before any of the wells are drilled.

(7) The applicant's witness stated that they desire to obtain pooling orders for all three wells so that the three can be drilled one right after the other if successful. The applicant also stated that they would allow any working interest owner who has committed to participation to back out of any well not started.

(8) No other interest owner appeared at the hearing in opposition to the application.

(9) The applicant presented a Strawn isopach map based on seismic information which indicates the Strawn formation is potentially productive under the proposed spacing unit.

(10) An AFE was submitted showing estimated drilling costs of \$436,900 and estimated total well costs of \$754,300.

(11) The applicant proposed a risk penalty of 200 percent. Monthly fixed charges for supervision of \$6,000 per month while drilling and \$600 per month while producing were proposed.

(12) To avoid the drilling of unnecessary wells, to protect correlative rights, to prevent waste 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 production in any pool resulting from this order, the application should be approved by pooling all mineral interests, whatever they may be, within said 40-acre unit.

(13) Anson Gas Corporation should be designated the operator of the subject well and unit.