CASE NO. 9933 Order No. R-9186 Page -3-

(13) 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 ownership.

(14) Upon the failure of the operator of said pooled unit to commence the drilling of the well to which said unit is dedicated on or before August 1, 1990, the order pooling said unit should become null and void and of no effect whatsoever.

(15) Should all the parties to this forced pooling reach voluntary agreement subsequent to entry of this order, this order shall thereafter be of no further effect.

(16) The operator of the well and unit shall notify the Director of the Division in writing of the subsequent voluntary agreement of all parties subject to the forced pooling provisions of this order.

## IT IS THEREFORE ORDERED THAT:

(1) All mineral interests, whatever they may be, in the Undesignated Shipp-Strawn Pool underlying the W/2 SE/4 of Section 5, Township 17 South, Range 37 East, NMPM, Lea County, New Mexico, are hereby pooled forming a standard 80-acre oil spacing and proration unit for said pool. Said unit shall be dedicated to a well to be drilled at a standard oil well location 660 feet from the South line and 1980 feet from the East line (Unit O) of said Section 5.

<u>PROVIDED HOWEVER THAT</u>, the operator of said unit shall commence the drilling of said well on or before the 1st day of August, 1990, and shall thereafter continue the drilling of said well with due diligence to a depth sufficient to test the Strawn formation.

<u>PROVIDED FURTHER THAT</u>, in the event said operator does not commence the drilling of said well on or before the 1st day of August, 1990, Ordering Paragraph No. (1) of this order shall be null and void and of no effect whatsoever, unless said operator obtains a time extension from the Division Director for good cause shown.

<u>PROVIDED FURTHER THAT</u>, should said well not be drilled to completion, or abandonment, within 120 days after commencement thereof, said operator shall appear before the Division Director and show cause why Ordering Paragraph No. (1) of this order should not be rescinded.