

Case No. 9898
Order No. R-9199
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(9) \$5,550.00 per month while drilling the new infill well and \$550.00 per well per month while producing the unit wells are hereby set as reasonable charges for supervision (combined fixed rates). The operator is hereby authorized to withhold from unit production the proportionate share of such supervision charges attributable to each non-consenting working interest owner. In addition thereto, the operator is hereby authorized to withhold from unit production the proportionate share of actual expenditures required for operating such wells, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) In the event the Britt-Laughlin Com. Well Nos. 1 and 6 are incapable of producing the entire allowable assigned to the unit, each working interest owner shall pay to the operator their pro rata share of the reasonable and equitable value of the existing wellbore and associated equipment of the Britt-Laughlin Com. Well No. 5 (Unit O, Section 5) and the reasonable costs of reworking such well. In the absence of a voluntary agreement among the working interest owners, such value and costs shall be determined by the Division after notice and hearing.

(11) Any unleased mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(12) Any well costs or charges which are to be paid out of production pursuant to this order shall be withheld only from the working interest owner's share of production, and no such costs or charges to be paid out of production pursuant to this order shall be withheld from production attributable to any royalty interest.

(13) All proceeds from unit production which are not disbursed for any reason shall be placed in escrow in Lea County, New Mexico to be paid to the true owner thereof upon demand and proof of ownership, and the operator shall notify the Division of the name and address of said escrow agent within 30 days from the date of the first escrow deposit.

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