

(11) Counsel for Wallen Production Company questioned Santa Fe Energy's witness and presented exhibits and statements to support Wallen's concern that drilling through the Yates formation would have an adverse affect on Wallen's nearby Yates completions. Counsel for Wallen asked that a detailed summary of the proposed drilling plan be submitted. Santa Fe Energy submitted the requested information on September 22, 1994.

(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 units the opportunity to recover or receive without unnecessary expense his just and fair share of the production in any pool completion resulting from this order, the subject application should be approved by pooling all mineral interests, whatever they may be, within said 320-acre unit, and by authorizing directional drilling from the proposed unorthodox surface location to the proposed unorthodox bottomhole location.

(13) The applicant should be designated the operator of the subject well.

(14) Any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(15) Any non-consenting working interest owner who does not pay his share of estimated well costs should have withheld from production his share of reasonable well costs plus an additional 200 percent thereof as a reasonable charge for the risk involved in the drilling of the well.

(16) Any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(17) Following determination of reasonable well costs, any non-consenting working interest owner who has paid his share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(18) At the time of the hearing, the applicant proposed that the reasonable monthly fixed charges for supervision while drilling and producing said well should be set at \$5200.00 and \$520.00, respectively.