(c)   the NE/4 NW/4 (Unit C) to form a standard 40-acre
oil spacing and proration unit for formations and/or
pools developed on 40-acre spacing within that
vertical extent.

(3)   These units are to be dedicated to the applicant's proposed Johnson Ranch
"16" State Well No. 1 (**API No. 30-025-35400**) to be drilled at a location considered to be
standard for all three units 990 feet from the North line and 1980 feet from the West line of
Section 16.

(4)   The applicant is a working interest owner within the acreage comprising all
three units and therefore has the right to drill for and develop the minerals underlying these
units.

(5)   At this time, however, not all of the working interest owners in these units
have agreed to pool their interests. After pooling, uncommitted working interest owners are
referred to as "non-consenting working interest owners."

(6)   No party affected by the forced pooling appeared at the hearing or objected
to this application.

(7)   To avoid the drilling of unnecessary wells, to protect correlative rights, to
prevent waste and to afford to the owner of each interest in the units the opportunity to
recover or receive without unnecessary expense its just and fair share of hydrocarbon
production in any pool resulting from this order, this application should be approved by
pooling all uncommitted mineral interests, whatever they may be, within these units.

(8)   Threshold should be designated the operator of the subject well and units.

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

(10)   Any non-consenting working interest owner who does not pay its share of
estimated well costs should have withheld from production its 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.

(11)   Any non-consenting interest owner should be afforded the opportunity to