

-2-

Case No. 7263
Order No. R-6714

approved 6-25-81

(6) That approval of the subject application will afford the applicant the opportunity to produce its just and equitable share of the gas in the subject pool, will prevent the economic loss caused by the drilling of unnecessary wells, avoid the augmentation of risk arising from the drilling of an excessive number of wells, and will otherwise prevent waste and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) That Ordering Paragraph No. (1) of Division Order No. R-5527, dated September 6, 1977, is hereby amended to read in its entirety as follows:

"(1) That an unorthodox gas well location for the Wolfcamp formation and all zones in the Pennsylvanian formation is hereby approved for the Yates Petroleum Corporation Blevins "I-K" Well No. 1, drilled at a point 960 feet from the North line and 690 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, Kennedy Farms Field, Eddy County, New Mexico."

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

IT IS THEREFORE ORDERED:

*Case A 6020 8-31-77 D.H.N.
Order R. 5527 9-6-77*

(1) That an unorthodox gas well location for the Morrow formation is hereby approved for Yates Petroleum Corporation Blevins "I-K" Well No. 1 to be drilled at a point 960 feet from the North line and 690 feet from the West line of Section 35, Township 17 South, Range 26 East, NMPM, Kennedy Farms-Morrow Gas Pool, Eddy County, New Mexico.

(2) That the N/2 of said Section 35 shall be dedicated to the above-described well.