

(6) Evidence presented at the hearing indicates if the well was shut-in and water not pumped off a substantial amount of remaining reserves would be lost.

(7) The applicant should be allowed to produce this well at a rate that is sufficient to justify the added expense in operating the pumping equipment.

(8) Said well should be produced at a rate not to exceed 350 Mcf per day.

(9) To prevent waste, applicant's Kinahan Federal Well No. 1 should be designated a hardship gas well and be given priority access to the available market for gas.

(10) Such classification should be subject to the limitations described in Rule 412 of the Division's Rules and Regulations.

IT IS THEREFORE ORDERED THAT:

(1) The V. H. Westbrook Kinahan Federal Well No. 1 located 660 feet from the South line and 1980 feet from the East line (Unit O) of Section 20, Township 15 South, Range 30 East, NMPM, West Cedar Point-Wolfcamp Gas Pool, Chaves County, New Mexico, is hereby designated as a hardship gas well subject to the following terms and conditions:

- (a) The well will be given priority access to the available gas market;
- (b) The well shall not be produced at a rate in excess of 350 MCFD;
- (c) The hardship classification shall be retained only through December 31, 1987, unless the operator obtains an extension thereof under the terms of Division Rule 412 A; and,
- (d) The well shall be subject to all terms and provisions of Division Rule 412.

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