



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
AZTEC DISTRICT OFFICE

TONY ANAYA
GOVERNOR

1000 RIO BRAZOS ROAD
AZTEC, NEW MEXICO 87410
(505) 334-6178

May 2, 1984

Mr. C. Terry Hobbs
Southland Royalty Co.
P.O. Drawer 570
Farmington, NM 87499

Re: Application for Hardship Classification
Jicarilla 443 #1 A-26-23N-2W

Dear Terry:

The referenced application is being returned unapproved for the following reasons:

- 1) Venting a small amount of gas during swabbing is necessary as part of any swabbing operation, and does not necessarily constitute inefficient and dissipating use of reservoir energy, as the energy is used to remove accumulated liquid.
- 2) There is no showing of permanent loss of productivity after shut-in.
- 3) You did not show cost figures which indicate that without relief this well would be prematurely abandoned.
- 4) There is no calculation of reserves lost due to premature abandonment.
- 5) Water production is not shown.
- 6) The required plat is lacking.

Will a shut-in period of less than thirty days prevent logging off?

If you have any questions, please contact this office.

Sincerely,

A handwritten signature in cursive script, appearing to read "Frank T. Chavez".

Frank T. Chavez
District Supervisor

FTC/dj

xc: Joe Ramey
Well File ✓