



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE
 March 5, 1985

TONY ANAYA
 GOVERNOR

POST OFFICE BOX 1980
 HOBBS, NEW MEXICO 88240
 (505) 393-6161

Ike Loveady, Inc.
 P. O. Drawer 2666
 Midland, Texas 79702

Re: Hardship Gas Well Application
 Sam H. Snoddy Federal Well No. 1
 Unit A, Section 26, T-20-S, R-32-E
 South Salt Lake Morrow Gas Pool

*Case 8533
 was set for the 27th
 hearing*

Gentlemen:

While you have presented evidence of crossflow in the wellbore of the Sam H. Snoddy Federal No. 1, I am not sure you have presented evidence for a hardship case.

The OCD considers the Morrow formation as one pool, but almost everyone who works with the Morrow considers each zone a separate reservoir which will deplete at different rates and crossflow would occur if the well is shut in. For this reason, at least one operator in Lea County completes wells by zones not formations, which is an option for the operator.

Because underground waste may be occurring, I am approving a hardship well classification for 45 days and am recommending that you set this case for hearing during this time period.

Yours very truly,

OIL CONSERVATION DIVISION

Jerry Sexton
 Supervisor, District 1

JS/mc
 cc- Mr. R. L. Stamets, Director
 OCD, Santa Fe, New Mexico

Gas Company of N.M.
 Albuquerque, New Mexico