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NEW MEXICO OIL CONSERVATION COMMISSION
REQUEST FOR ALLOWABLE
AND
AUTHORIZATION TO TRANSPORT OIL AND NATURAL GAS

Form C-104
Supersedes Old C-104 and C-110
Effective 1-1-65

B.R.

API 30-039-22105

I.

Operator Grace Petroleum Corporation		
Address 3 Park Central, Suite 200, 1515 Arapahoe Street, Denver, Colorado 80202		
Reason(s) for filing (Check proper box)		Other (Please explain)
New Well <input checked="" type="checkbox"/>	Change in Transporter of:	
Recompletion <input type="checkbox"/>	Oil <input type="checkbox"/>	Dry Gas <input type="checkbox"/>
Change in Ownership <input type="checkbox"/>	Casinghead Gas <input type="checkbox"/>	Condensate <input type="checkbox"/>

If change of ownership give name
and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Grace Federal	Well No. 1	Pool Name, Including Formation Escrito Gallup	Kind of Lease State, Federal or Fee Federal	Lease No. SF-078924
Location Unit Letter K ; 1650 Feet From The South Line and 1730 Feet From The West Line of Section 21 Township 24N Range 7W , NMPM, Rio Arriba County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> Merit Oil Corporation	Address (Give address to which approved copy of this form is to be sent) Ste 300, 300 W. Arrington, Farmington, NM 87401			
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/> El Paso Natural Gas	Address (Give address to which approved copy of this form is to be sent) P. O. Box 990, Farmington, New Mexico 87401			
If well produces oil or liquids, give location of tanks.	Unit K	Sec. 21	Twp. 24N	Pge. 7W
	Is gas actually connected?		When	
	No		1/1/80	

If this production is commingled with that from any other lease or pool, give commingling order number:

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v.	Diff. Res'v.
	X		X					
Date Spudded 8/26/79	Date Compl. Ready to Prod. 10/31/79	Total Depth 6230' KB		P.B.T.D. 6162' KB				
Elevations (DF, RKB, RT, GR, etc.) 7098' GL, 7110' KB	Name of Producing Formation Gallup		Top Oil/Gas Pay 5656		Tubing Depth 5974'			
Perforations 5656-58', 5668-70', 5682-84', 5704-06', 5711-13', 5716-18', 5728-30', 5761-5784', 5798-5802', 5810-12', 5828-30', 5894-5914', 5959-64', 5971-74', 6006-08', 6019-26',		TUBING, CASING, AND CEMENTING RECORD 6082-90', 6100-04', 6122-28' w/1.15PF		Depth Casing Shoe 6230' KB				
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
12 1/4"	8 5/8"		311' KB		225sx Class B Cmt			
7 7/8"	4 1/2"		6230' KB		500sx50/50 Pozmix 2% gel, 10% salt			

V. TEST DATA AND REQUEST FOR ALLOWABLE OIL WELL (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours)

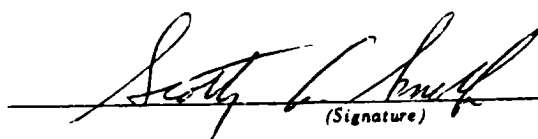
Date First New Oil Run To Tanks Test	Date of Test 11/27/79	Producing Method (Flow, pump, gas lift, etc.) Pump	
Length of Test 24 hrs	Tubing Pressure 15 psig	Casing Pressure 25 psig	Choke Size N/A
Actual Prod. During Test	Oil-Bbls. 32.5	Water-Bbls. 2	Gas-MCF 68

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pitot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Commission have been complied with and that the information given above is true and complete to the best of my knowledge and belief.


(Signature)
Southern District Operations Manager
(Title)
December 5, 1979
(Date)

OIL CONSERVATION COMMISSION

APPROVED JAN 18 1980, 19
BY Original Signed by FRANK T. CHAVEZ
TITLE SUPERVISOR DISTRICT # 3

This form is to be filed in compliance with RULE 1104.
If this is a request for allowable for a newly drilled or deepened well, this form must be accompanied by a tabulation of the deviation tests taken on the well in accordance with RULE 111.
All sections of this form must be filled out completely for allowable on new and recompleted wells.
Fill out only Sections I, II, III, and VI for changes of owner, well name or number, or transporter, or other such change of condition.
Separate Forms C-104 must be filed for each pool in multiply completed wells.