

GRARIDGE CORPORATION

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Producers of Oil and Gas
BRECKENRIDGE, TEXAS

February 18, 1958

Oil Conservation Commission
of the State of New Mexico
Capitol Building
Santa Fe, New Mexico
Attention: Mr. Cooley

Re: Graridge Malco-State "A" Well #9
Caprock-Queen Flood
Lea County, New Mexico

Gentlemen:

Attached hereto you will find an original and two copies of an application for hearing and for emergency allowable with reference to the above referred to well.

I trust upon receipt of the enclosures that you will be in a position to immediately issue orders for an emergency allowable for the Graridge Malco-State Well "A" #9 as requested in said application and that you will further set down on your docket for hearing the request for amendment of your Order No. R-1073-A.

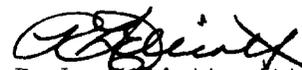
If it is at all possible for you to set down for hearing this application on February 27th or 28th or March 1st, it would certainly be helpful to me inasmuch as I will have to be in Santa Fe at that time anyway, on a mission of obtaining approval for our Caprock flood. Of course, you may have in mind bringing this up at a regular hearing rather than an examiner's hearing and if you do, we shall, of course, comply with your wishes.

Thank you very much for your splendid co-operation in this matter.

Yours very truly,

GRARIDGE CORPORATION

By


R. L. Elliott, Attorney

RLE:ea
enc
cc-Graham Office

APPLICATION FOR HEARING TO AMEND OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO ORDER NO. R-1073-A, SO AS TO SUBSTITUTE THE CAPACITY ALLOWABLE WHICH WAS GRANTED GRARIDGE MALCO STATE "A" WELL #2 TO GRARIDGE MALCO STATE "A" WELL #9, AND REQUEST FOR EMERGENCY ALLOWABLE FOR GRARIDGE MALCO STATE "A" WELL #9 DURING THE INTERIM

Oil Conservation Commission of the State of New Mexico
Santa Fe, New Mexico

WHEREAS, on November 13, 1957, the Oil Conservation Commission of the State of New Mexico, by its Order No. R-1073-A, authorized capacity production allowable for certain wells in the pilot waterflood project in the Caprock-Queen Pool, Lea County, New Mexico. That, among others, the Graridge Corporation's Malco State "A" Well #2, in SW/4 NE/4 Sec. 31 - 12 S - 32 E, N.M.P.M., Lea County, New Mexico, was granted capacity production allowable.

WHEREAS, subsequent to the date of Order No. R-1073-A, an attempt to clean out and rework the Graridge Malco State "A" Well #2, located ~~330'~~ 330' F N L and ~~330'~~ 330' F E L in SW/4 NE/4 Sec. 31 - 12 S - 32 E, was made, which resulted in a parting of the tubing about one-half way down the string, which corkscrewed into the bottom of the hole. That fishing attempts later resulted in the collapsing of the casing and a necessary abandonment of the hole. Operations were then immediately commenced by Graridge Corporation for the drilling of a new well at a location ~~330'~~ 330' F N L and ~~330'~~ 330' F E L in SW/4 NE/4 Sec. 31 - 12 S - 32 E, which well was completed and potentialized as the Graridge Malco State "A" Well #9 on February 3, 1958. Such well was potentialized for 109 barrels of oil per day.

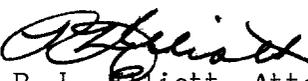
WHEREAS, the Graridge Malco State "A" Well #9 is one of the outside producers to a five-spot flood pattern, as more particularly shown on plat of the area, included herein as Exhibit "A" to this application, reference to which is here made. That there is and has developed an unbalanced condition of the water drive downdip toward the East, and it is imperative that the Graridge Malco State "A" Well #9 be allowed to produce to its capacity in order to relieve the pressure of the water in a Northerly direction. Failure to afford such relief might well result in a premature water break-through in the Livermore State "G" Well #6 and other wells to the East. This, of course, would result in waste to the operators in the waterflood unit as well as to the State of New Mexico because of the reduction in the amount of recoverable oil from the reservoir.

It is, therefore, respectfully requested that this Commission set a date for a hearing on this application for the purpose of amending Oil Conservation Commission of the State of New Mexico Order No. R-1073-A so as to substitute the capacity allowable which was granted Graridge Malco State "A" Well #2 to Graridge Malco State "A" Well #9, and the further request is made of the Commission to immediately issue an order for an emergency allowable for the Graridge Malco State "A" Well #9 equivalent to its capacity to produce, during the interim required for such hearing and issuance of necessary orders authorizing the substitution of such allowable so requested, or for a period of fifteen (15) days, whichever occurs first.

Respectfully yours,

GRARIDGE CORPORATION

By



R. L. Elliott, Attorney
Ibex Building
Breckenridge, Texas

RLE:ea