HOBBS. NEW MEXICO 88240

February 22, 1974

Lamb, Metzgar, Franklin & Lines P.A. 500 Second Street, MW Albuquerque, New Mexico 87101

Atta: Mr. Farrell L. Lines

Gentlemen:

This is with reference to your letter of February 14, 1974, and subsequent phone calls to myself and this office concerning the <u>Grace Ranger Lake Wells No. 1</u> and 3.

As I understand, now you will be moving a pulling unit on Well No. 3, probably on this day, to attempt to place the well on production.

As to the Ranger Lake Well No. 1, you are now requesting that the Grace's be allowed to convert this well to water disposal. I would normally not be opposed to this request since it is obvious this well is uneconomical to produce and should be utilized for some purpose or should be plugged and abandoned. However, the Grace's applied for and received approval under SWD-142 permission to re-enter a well in Unit H of Section 15, T-12-3, R-34-E, for salt water disposal purposes.

A recent inspection of this well shows a bucket setting over the 8 5/8" casing with salt water spring from the well into the cellar and gas escaping from the well bore. The cellar on the well is open and, in addition, there are two drums of acid on the location and some sacks of caustic soda on the location.

All of these are a hazard to livestock in the area and the Commission cannot tolerate practices such as this.

Another inspection of this well will be made on 'larch 1, 1974, and if conditions have not improved, I will request another show cause hearing to determine the necessity of this well. In the meantime, immediately file Form C-103 showing the present status and future intent for this well.

Yours very truly,

Joe D. Ramey Supervisor, District I

cc: Mr. William F. Carr, attorney OCC Santa Fe Michael P. and Corinne Grace Carlsbad



February 25, 1974

Mr. Joe Ramey Oil Conservation Commission Box 1980 Hobbs, New Mexico

RE: Ranger Lake Wells Nos. 1 and 3

Dear Mr. Ramey:

This is a follow-through to my telephone call of the other evening. The Graces have made arrangements to move a rig to the site. It was supposed to have been moved earlier this week, but because of the high winds, the driller was hesitant to move the rig.

The material has now come back from the laboratory, and they find that they have 15 to 19 gravity oil. Their first plan of action on the two wells is to attempt production by hot oiling the wells, and by leaving high gravity oil in the tubing to lubricate the rods. If this method does not work, they would like to wait until the new Punch No. 1 well is completed with the larger tubing to see if the oil can be extracted out of the larger tubing. If that method does not work, they then intend to try heating the tubing to prevent coagulation.

As a last resort, if the above methods do not work, they intend to go with hot water and steam flood, using Ranger Lake 1 and Ranger Lake 3 Wells as injection wells for the Punch No. 1. We would appreciate greatly your indulgence while we attempt production as outlined above. It might be well for you to set another deadline date for us so that we can keep our engineers' feet to the fire.

Very truly yours,

Farrell L. Lines

FLL:ml

cc: Mr. William F. Carr

February 14, 1974

Mr. Joe D. Ramer Supervisor, district 1 Cil Conservatio Cormission Holds, Dev Medico 20240

M: Rangur Lake Well, Numbers 1 and

Dear Mr. Ramev:

Mon will remember that I carlier contacted you and remners a security and remners a security of the security o

Lice to the second control of the second con

We appreciate your assistance and which the tender.

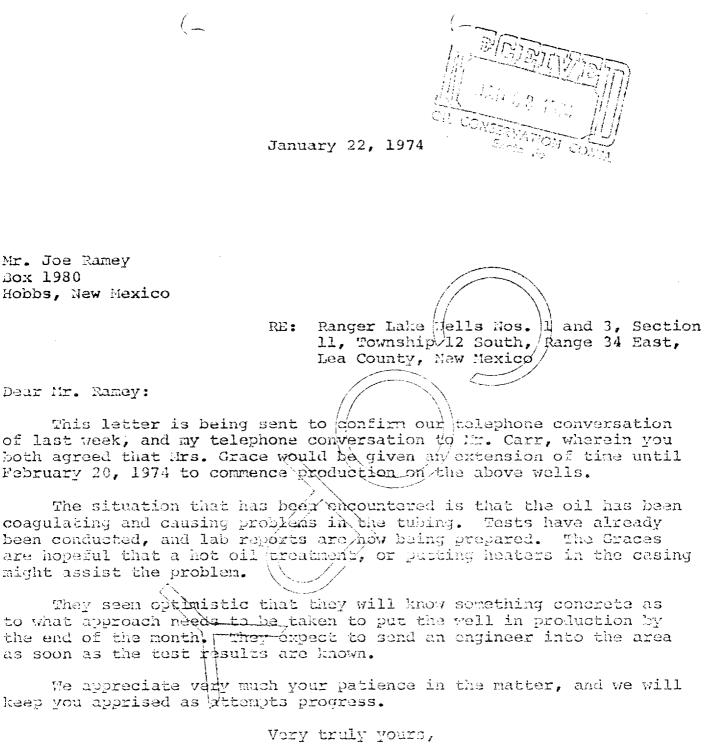
Very Live Dire,

Parrell L. Times

FLL:ml

cc: Mr. William F. Carr, Attorney ()
Oil Conservation Commission
Santa Fe, New Mexico

ILLEGIBLE



They seem ofthmistic that they will know something concrete as to what approach needs to be taken to put the well in production by the end of the month, They expect to send an engineer into the area as soon as the test results are known.

We appreciate very much your patience in the matter, and we will keep you apprised as Attempts progress.

Farrell L. Lines

FLL/slh

cc: Mr. William F. Carr

OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

December 27, 1973

Mrs. Corinne Grace P. O. Box 1418 Carlsbad, New Mexico 88220

> Re: Ranger Lake Wells Nos. 1 and 3, Section 11, Township 12 South, Range 34 Hast, NMPM, Lea County, New Mexico

Dear Mrs. Grace:

Oil Conservation Commission Order No. R-4567 required you and Travelers Indemnity Company to plug and abandon the above-captioned wells on or before September 30, 1973, if they were not placed on commercial production by that date, or if the time for plugging had not been extended by Commission order.

No application was made for an order extending the time for plugging these wells, but Mr. Kenneth F. Smith did contact Mr. Joe Ramey, District Supervisor in the Commission's Hobbs office and Mr. Ramey verbally extended this time period to December 1, 1973, so that you could explore the possibility of establishing a salt water disposal system.

I have discussed this matter with Mr. Ramey and since the Ranger Lake Wells Nos. I and 3 do not appear to be economically feasible to operate and since you have not filed a plan for operation of these wells, the Commission hereby makes formal demand upon you and Travelers Indemnity Company to plug and abandon these wells in compliance with the provisions of Order No. R-4567 on or before January 30, 1973. If satisfactory arrangements for the plugging of these wells has not been made with Mr. Ramey by this date, the Commission will take all necessary action to secure performance under the bond with Travelers Indemnity Company.

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/dr

cc: Travelers Indomnity Company
Mr. Joe Ramey

STATE OF NEW MEXICO P. O. BOX 1980 - HOBBS

December 26, 1973

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY – DIRECTOR

Mr. William F. Carr, Attorney New Mexico Oil Conservation Commission P. O. Box 2088 Santa Fe. New Mexico 87501

Dear Mr. Carr:

Attached please find a six month producing summary for the three wells operated by Corinne Grace, which were ordered plugged in the provisions of Order No. R-4568.

The last reports submitted for these three wells were approved in this office on November 8, 1973. In these reports, the T P State No. 1 was shown to be pumping 38 barrels of oil plus 200 barrels of salt water per day. Their report covering the Ranger Lake No. 3 indicated that on November 2, 1973, the well was pumping 25 barrels of oil per day plus 28 barrels of salt water. However, their November C-115 indicated 0 production for the well. The Form C-103 for the Ranger Lake No. 1 indicated the status as "studying for salt water disposal."

It appears that the Corinne Grace T P State Well No. 1 is an economical well to produce. However, the Ranger Lake Wells Nos. 1 and 3 have not exhibited economic producing capacities, in my estimation. Also, on October 1, 1973, the Grace people wrote to me requesting an extension to the provisions of Order No. R-4567, because Mrs. Grace was attempting to obtain additional leases in the area, which would make the establishment of a salt water disposal system more economically feasible. I answered their letter on October 11th, saying that no demand would be made for plugging these wells before December 1, 1973. I also stipulated that on or before this date I would expect in writing a complete plan for operations in this area.

Since the Ranger Lake Wells Nos. 1 and 3 do not appear economically feasible to operate, and since they have filed no plan for operation of these wells, it appears that the wells should be plugged. So, I would suggest that you take appropriate action.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey Supervisor, District 1

JDR/mc Attach.

Production From C-115 (Corrine Grace TP State #1 Range Lake SA Ranger Lake #3 Ronge Lope June 366 July 162 53 55 Sept. 0 Oct. 0 Nov. 491

Michael P. Grace II
Corinne Grace
P. O. BOX 1418
CARLSBAD, NEW MEXICO 88220

October 1, 1973

Mr. Joe Ramey
New Mexico Oil Conservation Commission
P.O. Box 1980
Hobbs. New Mexico 88240

Dear Mr. Ramey,

This letter references our verbal conversation on Monday September 24, 1973, in Lovington, New Mexico, and Ron Johnson's telephone conversation with you on Thursday September 27, 1973, regarding the Corinne Grace Ranger Lake Field wells number one and three.

As you remember, the New Mexico Oil Conservation Commission issued Order No. R-4567 on June 28, 1973, requiring these wells be placed on commercial production or plugged and abandoned by September 20, 1973.

It is respectfully requested that the date and time for plugging said wells be extended to December 1, 1973. Mrs. Corinne Grace is attempting to obtain additional leases in the area which will make the establishment of a salt water disposal system more economically feasible.

Yours very truly,

Kenneth F. Smith

14

HOBBS, NEW MEXICO 88240

October 11, 1973

Corinne Grace Box 1418 Carlsbad, New Mexico 88220

Attention: Mr. Kenneth F. Smith

Dear Mr. Smith:

This will acknowledge your letter of October 1, 1973, requesting an extension to Order No. R-4567.

This office will make no demand for plugging the Corinne Grace Ranger Lake Well No. 1 and Well No. 3 before December 1, 1973. On or before this date, I will expect in writing a complete plan for your operations in this area.

Yours very truly,

OIL CONSERVATION COMMISSION

Joe D. Ramey Supervisor, District 1

JDR/mc

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEX JO

CASE NO. 4992 Order No. R-4567

IN THE MATTER OF THE HEARING CALLED
BY THE OIL CONSERVATION COMMISSION ON
ITS OWN MOTION TO PERMIT CORINNE GRACE
AND THE TRAVELERS INDEMNITY COMPANY AND
ALL OTHER INTERESTED PARTIES TO APPEAR
AND SHOW CAUSE WHY THE RANGER LAKE WELLS
NOS. 1 AND 3 LOCATED IN UNIT N OF SECTION 11,
TOWNSHIP 12 SOUTH, RANGE 34 EAST, LEA COUNTY,
NEW MEXICO, SHOULD NOT BE PLUGGED AND
ABANDONED IN ACCORDANCE WITH A COMMISSION—
APPROVED PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by Law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Corinne Grace is the owner and operator of the Ranger Lake Wells Nos. 1 and 3, located in Unit N of Section 11, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico.
- (3) That the operator of said wells has failed to file proper forms with the Commission concerning said wells and has not responded to repeated inquiries from the Commission concerning the status of these wells.
- (4) That a hearing was held before the Commission on June 20, 1973, to permit any interested party to appear and show cause why said wells should not be plugged and abandoned.
- (5) That the operator appeared before the Commission and requested a reasonable time within which to test said wells and attempt to put them on commercial production.

-2-Case No. 4992 Order No. R-4567

- (6) That as a condition precedent to granting said request for an extension of time all Commission forms concerning said wells should be promptly filed with the Commission.
- (7) That the operator should report to the Hobbs office of the Commission in writing on Form C-103 every 30 days outlining what progress has been made toward placing said wells on commercial production.
- (8) That 90 days from the date of the hearing on this matter, September 20, 1973, should afford the operator sufficient opportunity to test said wells and determine their potential for economic production.
- (9) That should said wells not be placed on production within 90 days, or should not a satisfactory showing be made to the Commission within 90 days that said wells are capable of commercial production and will be placed in production, at a definite time, said wells should be plugged and abandoned.
- (10) That in order to prevent waste and protect correlative rights said Ranger Lake Wells Nos. 1 and 3 should be plugged and abandoned in accordance with a program approved by the Hobbs District Office of the New Mexico Oil Conservation Commission on or before September 30, 1973, unless said wells have been placed on commercial production by that date, or the time for plugging said wells has been extended by order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Corinne Grace and Travelers Indemnity Company are hereby ordered to plug and abandon the Ranger Lake Wells Nos. 1 and 3, located in Unit N of Section 11, Township 12 South, Range 34 East, NMPM, Lea County, New Mexico, on or before September 30, 1973, if said wells have not been placed on commercial production by that date or the time for plugging said wells has not been extended by order of the Commission.

IT IS FURTHER ORDERED:

- (1) That Corinne Grace promptly file all Commission forms and file a written report on Form C-103 with the Hobbs office of the Commission every thirty days outlining what progress has been made toward placing said wells on commercial production.
- (2) That Corinne Grace and Travelers Indemnity Company, prior to plugging and abandoning the above-described wells, shall obtain from the Hobbs Office of the Commission a Commission-approved program for said plugging and abandoning, and shall notify said Hobbs Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

-3-Case No. 4992 Order No. R-4567

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO
OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEX JO

CASE NO. 4993 Order No. R-4568

IN THE MATTER OF THE HEARING CALLED BY
THE OIL CONSERVATION COMMISSION ON ITS
OWN MOTION TO PERMIT CORINNE GRACE AND
THE TRAVELERS INDEMNITY COMPANY AND ALL
OTHER INTERESTED PARTIES TO APPEAR AND
SHOW CAUSE WHY THE T. P. STATE WELL NO. 1
LOCATED IN UNIT A OF SECTION 17, TOWNSHIP
10 SOUTH, RANGE 33 EAST, LEA COUNTY, NEW
MEXICO, SHOULD NOT BE PLUGGED AND ABANDONED
IN ACCORDANCE WITH A COMMISSION-APPROVED
PLUGGING PROGRAM.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 20, 1973, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 28th day of June, 1973, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by Law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Corinne Grace is the owner and operator of the T. P. State Well No. 1, located in Unit A of Section 17, Township 10 South, Range 33 East, NMPM, Lea County, New Mexico.
- (3) That the operator of said wells has failed to file proper forms with the Commission concerning said well and has not responded to repeated inquiries from the Commission concerning the status of this well.
- (4) That a hearing was held before the Commission on June 20, 1973, to permit any interested party to appear and show cause why said well should not be plugged and abandoned.
- (5) That the operator appeared before the Commission and requested a reasonable time within which to test said wells and attempt to put them on commercial production.

-2-Case No. 499 Order No. R-4568

- (6) That as a condition precedent to granting said request for an extension of time all Commission forms concerning said well should be promptly filed with the Commission.
- (7) That the operator should report to the Hobbs office of the Commission in writing on Form C-103 every 30 days outlining what progress has been made toward placing said well on commercial production.
- (8) That 90 days from the date of the hearing of this matter, September 20, 1973, should afford the operator sufficient opportunity to test said well and determine its potential for economic production.
- (9) That should said well not be placed on production within 90 days, or should not a satisfactory showing be made to the Commission within 90 days that said well is capable of commercial production and will be placed in production at a definite time, said well should be plugged and abandoned.
- (10) That in order to prevent waste and protect correlative rights said T. P. State Well No. 1 should be plugged and abandoned in accordance with a program approved by the Hobbs District Office of the New Mexico Oil Conservation Commission on or before September 30, 1973, unless said well has been placed on commercial production by that date, or the time for plugging said well has been extended by order of the Commission.

IT IS THEREFORE ORDERED:

(1) That Corinne Grace and Travelers Indemnity Company are hereby ordered to plug and abandon the T. P. State Well No. 1, located in Unit A of Section 17, Township 10 South, Range 33 East, NMPM, Lea County, New Mexico, on or before September 30, 1973, if said well has not been placed on commercial production by that date or the time for plugging said well has not been extended by order of the Commission.

IT IS FURTHER ORDERED:

- (1) That Corinne Grace promptly file all Commission forms and file a written report on Form C-103 with the Hobbs office of the Commission every thirty days outlining what progress has been made toward placing said wells on commercial production.
- (2) That Corinne Grace and Travelers Indemnity Company, prior to plugging and abandoning the above-described well, shall obtain from the Hobbs Office of the Commission a Commission-approved program for said plugging and abandoning, and shall notify said Hobbs Office of the date and hour said work is to be commenced whereupon the Commission may, at its option, witness such work.

-3-Case No. 499 Order No. R-..68

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year herein-above designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION

I. R. TRUJILLO, Chairman

ALEX J. ARMIJO, Member

A. L. PORTER, Jr., Member & Secretary

SEAL

STATE OF NEW MEXICO P. O. BOX 2088 - SANTA FE

87501

June 7, 1973

I. R. TRUJILLO CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR:
SECRETARY - DIRECTOR

Mrs. Corinne Grace P. O. Box 1418 Carlsbad, New Mexico 88220 CERTIFIED - RETURN RECEIPT REQUESTED

John N. Rahlfs Company Agent The Travelers Indemnity Company 404 West Illinois Midland, Texas 79701

Grubesic & Walsh
The Travelers Indemnity Company
Inner Loop at Manhatten
Santa Fe, New Mexico

Re: T. P. State Well No. 1, Unit A
Section 17, Township 10 South, Range
33 East, Lea County, New Mexico,
The Travelers Indemnity Company
\$10,000 Blanket Bond Form 39-Al
issued August 11, 1970

Gentlemen:

Enclosed is a copy of the docket of the Examiner Hearing to be held on Wednesday, June 20, 1973, at 9:00 a.m. in the Oil Conservation Commission Conference Room, State Land Office Building, Santa Fe, New Mexico, Case No. 4993 concerns the subject matter.

WILLIAM F. CARR

Special Assistant Attorney General

Oil Conservation Commission

WFC/dr enclosure

cc: Oil Conservation Commission - Hobbs

1	SH SERVICE(S) INDICATED REQUIRED FEE(S) PA whom, date and address	AID. Deliver ONLY to addressee
<i></i>	RECEIPT ved the numbered article de	3
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CERTIFIED NO. 635944	SIGNATURE OF ADDRESS	EE'S AGENT, IF ANY
INSURED NO.	Bunda-	Roborto
DATE DELIVERED	SHOW WHERE DELIVERED (only	if requested)

Mrs. Corinne Grace	POSTMAR OR DATE
STREET AND NO. P. O. BOX 1418	
CITY, STATE, AND ZIP CODE Carlsbad, N. M. 88220	
If you want a return receipt, check which lot shows to whom, and address where delivered delivered FEES ADDITIONAL TO 20¢ FEE	nly see, e

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

June 8, 1973

Mrs. Corinne Grace P. O. Box 1418 Carlsbad, New Mexico 88220

Dear Mrs. Grace:

I have taken this opportunity to send you several items that I believe will be of interest to you on June 20, 1973, at the Oil Conservation Commission hearing.

Circled on the enclosed docket are three cases in which I believe the Graces have an interest: Case 4989, Case 4992 and Case 4993. We have decided to set cases 4992 and 4993 before the full Commission instead of an examiner as reflected in my June 7 letters.

Also enclosed, for your information, is the application filed by El Paso Natural Gas in Case 4991, docketed for June 20, 1973.

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/dr

enclosures.

Docket for June 20, 1973, Hearing El Paso Natural Gas application in Case 4991

	REQUIRED FEE(S) F to whom, date and address delivered	Deliver ONLY to addressee
Rec	RECEIPT eived the numbered article of	lescribed below.
REGISTERED NO.		DDRESSEE (Must always be filled in)
CERTIFIED NO. 635942	SIGNATURE OF ADDRES	SEE'S AGENT, IF ANY
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DATE DELIVERED	SHOW WHERE DELIVERED (only	y if requested)
<u></u>		c55-16-71548-11 347-198 GPO

	RECEIPT FOR CERTIFIED MAIL-20¢	
2	Mr. Michael P. Grace	POSTMARK OR DATE
94,	STREET AND NO. Post Office Box 1418	
35	CITY, STATE, AND ZIP CODE Carlsbad, New Mexico 88220	
•	If you want a return receipt, check which If you want delivery only to whom and when and address where delivered to addressee, check here	
No.	FFES ADDITIONAL TO 20¢ FEE	(See other side)

OIL CONSERVATION COMMISSION P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 8, 1973

Mr. Michael P. Grace II P. O. Box 1418 Carlsbad, New Mexico 88220

Dear Mr. Grace:

I have taken this opportunity to send you several items that I believe will be of importance to you on June 20, 1973, at the Oil Conservation Commission hearing.

Circled on the enclosed docket are three cases in which I believe you have an interest: Case 4989, Case 4992 and Case 4993. I have also enclosed copies of the certified letters I sent to Mrs. Grace concerning the June 20 show cause hearings. Since the time these letters were written, we have decided to set these cases before the full Commission instead of an examiner.

Also enclosed, for your information, is the application filed by El Paso Natural Gas in Case 4991, docketed for June 20, 1973.

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/dr

enclosures:

Copies June 7, 1973, letters to Mrs. Grace Docket for June 20, 1973, Hearing El Paso Natural Gas application in Case 4991

Alow pearwill.

OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

June 8, 1973

Mr. Farrel L. Lines Attorney at Law 1011 Simms Building Albuquerque, New Mexico 87101

Dear Mr. Lines:

I have taken this opportunity to send you several items that I believe will be of importance to you in representing Michael Grace before the Oil Conservation Commission on June 20, 1973.

Circled on the enclosed docket are three cases In which I believe the Graces have an interest: Case 4989, Case 4992 and Case 4993. I have also enclosed copies of the certified letters I sent to Corinne Grace concerning the June 20 show cause hearings. Since the time these letters were written, we have decided to set these cases before the full Commission instead of an examiner.

Also enclosed, for your information, is the application filed by El Paso Natural Gas in Case 4991, docketed for June 20, 1973.

If you have any questions, please give me a call.

Very truly yours,

WILLIAM F. CARR General Counsel

WFC/dr

enclosures:

Copies June 7, 1973, letters to Corinne Grace Docket for June 20, 1973, Hearing El Paso Natural Gas Application in Case 4991.