

El Paso Natural Gas Company

El Paso, Texas 79999

October 12, 1973

The State of New Mexico
Oil Conservation Commission

Attention: William Carr

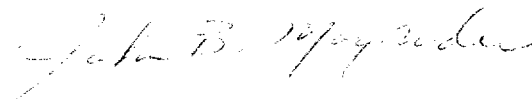
Dear Sir:

In response to your telephone request on October 9, 1973, in which you requested the daily volumes of gas produced from the Michael P. Grace, Grace-Atlantic #1 for the month of September, we respectfully submit the following:

<u>Day</u>	<u>Volume</u> <u>MCF at 15.025</u>	<u>Day</u>	<u>Volume</u> <u>MCF at 15.025</u>
1	18,077	16	6,134
2	18,077	17	6,007
3	18,714	18	3,383
4	17,761	19	10,512
5	12,143	20	11,908
6	15,587	21	11,263
7	18,077	22	10,083
8	17,972	23	10,029
9	17,649	24	10,136
10	9,438	25	10,082
11	9,224	26	9,921
12	9,171	27	10,136
13	8,799	28	9,921
14	9,171	29	10,190
15	7,199	30	9,543
		Monthly Total 346,307	

Please confirm your request for this information by letter as soon as possible.

Very truly yours,



John B. Magruder, Director
Gas Proration Department

JBM:Meh

cc: Michael P. Grace, II

El Paso Natural Gas Company

El Paso, Texas 79973

July 19, 1973

Michael P. Grace II and Corrine Grace
1141 East Bethany Home Road
Phoenix, Arizona 85017

Re: Grace Atlantic #1 Well
South Carlsbad-Morrow Pool

Dear Mr. and Mrs. Grace:

We have just completed a review of the wells in the South Carlsbad-Morrow Pool which are connected to our pipeline system. From this review we have determined that your Atlantic #1 Well will be overproduced approximately 1.1 billion cubic feet by the end of July, 1973. This overproduction will amount to approximately eight times the well's monthly allowable set by the New Mexico Oil Conservation Commission. As you are aware, the Commission may shut in any well which is overproduced in an amount exceeding six times its monthly allowable. To enable us to rely upon production from your well during the upcoming winter season, it is imperative that the well enter the winter season in a balanced or underproduced status. Unless we are allowed to immediately curtail production from this well it may be shut in during this winter's period of peak demand.

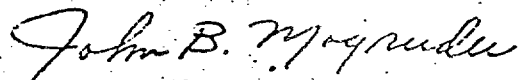
The result of legal action surrounding the prorationing of the South Carlsbad-Morrow Pool is that such prorationing is effective from and after April 11, 1973. It is now appropriate for us to make every effort to comply with this legal mandate and to purchase gas from this pool only in compliance with the rules, regulations and orders of the New Mexico Oil Conservation Commission. These rules, regulations and orders are designed to prevent the waste of natural resources and to protect correlative rights. We spend considerable time and money establishing and maintaining operations which are designed to assure each individual well interest owner, whether he be a major company or a small producer, that we will purchase his fair share of gas from the pool.

A pipeline company experiences severe fluctuations in the demand for gas from its many customers, and these fluctuations necessitate considerable flexibility in the pipeline company's takes from its producers. The need to curtail production from your well has arisen and we would greatly appreciate your cooperation in allowing us to curtail our takes from your well. If commenced immediately, a conscientious program of curtailment will prevent your well from having to be shut in during the 1973-74 winter season.

Michael P. Grace I and Corrine Grace
July 19, 1973
Page two

Should you have any questions or care to discuss this matter, please contact us at your earliest convenience.

Very truly yours,

A handwritten signature in cursive script that reads "John B. Magruder".

John B. Magruder, Director
Gas Proration Department

JBM:rvb

El Paso Natural Gas Company

El Paso, Texas 79978

September 7, 1973

Michael P. Grace II and Corrine Grace
1141 East Bethany Home Road
Phoenix, Arizona 85017

Dear Mr. and Mrs. Grace:

Grace Atlantic #1 Well
South Carlsbad-Morrow Pool

Reference is made to our July 19, 1973 letter concerning the subject well.

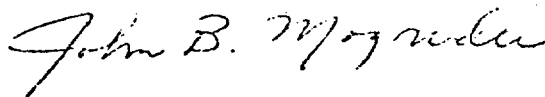
This well reflects a 851, 242 MCF overproduced status as of July 31, 1973 in the September, 1973 NMOCC Gas Proration Schedule and is marked as being more than six times overproduced. During August, 1973, the well produced more than twice its current allowable, and at the end of August is approximately 1, 080, 000 MCF overproduced.

The well will be marked as being more than six times overproduced in the October, 1973 Gas Proration Schedule, and it is our understanding that the mandatory shut-in provisions by the NMOCC will commence on September 30, 1973 in this field.

In the meantime, we recommend your shutting-in the well now. This is essential when considering the level of current allowables if we are to be able to rely upon production from your well during the upcoming winter season.

Should you have any questions or desire to discuss this matter, please contact us at your earliest convenience.

Very truly yours,



JOHN B. MAGRUDER, Director
Gas Proration Department

JBM:bjs

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER


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

TO WHOM IT MAY CONCERN:

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached is the original of William F. Carr's May 17, 1973, memorandum to The New Mexico Oil Conservation Commission regarding the Attorney General's letter reinstating prorationing in the South Carlsbad-Morrow Gas Pool

October 11, 1973




A. L. PORTER, Jr.
Secretary-Director

IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 11th day of October, 1973.


Notary Public

My Commission Expires:

Oct 28, 1977



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

MEMORANDUM

TO: THE NEW MEXICO OIL CONSERVATION COMMISSION

FROM: WILLIAM F. CARR, SPECIAL ASSISTANT ATTORNEY
GENERAL

RE: LETTER FROM THE ATTORNEY GENERAL CONCERNING THE
REINSTATEMENT OF PRORATIONING IN THE SOUTH CARLSBAD
MORROW GAS POOL

Attached is a letter from the Attorney General, dated May 16, in which he indicates that it is the position of his office that proration cannot be reinstated in the South Carlsbad Pool effective September 1, 1972.

It therefore appears that prorationing of this pool will have to be reinstated as of March 7, 1973.

We must receive, however, a statement from the Attorney General as to what his final position on this question will be. It is essential, to avoid unnecessary confusion, that we know his final position before we notify field operators of this change.

As you will note, a copy of this letter was sent to A. J. Losee. Since he has been retained to represent the Commission in this case, I suggest any action on this matter be first discussed with him.

dr/

May 17, 1973

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached is the original of my May 2, 1973, memorandum to all purchasers and producers in the South Carlsbad-Morrow Pool concerning prorationing.


A. L. PORTER, Jr.
Secretary-Director

October 11, 1973



IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 11th day of October, 1973.


Notary Public

My Commission Expires:

10-28-77



OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO

P. O. BOX 2088 - SANTA FE

87501

GOVERNOR
BRUCE KING
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

MEMORANDUM

TO: ALL PURCHASERS AND PRODUCERS IN THE SOUTH CARLSBAD-MORROW POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: PRORATION OF SOUTH CARLSBAD-MORROW GAS POOL

On August 31, 1972, the Honorable D. D. Archer, District Judge, entered an order temporarily staying Order R-1670-L of the New Mexico Oil Conservation Commission which established proration in the South Carlsbad Morrow Pool.

On April 11, 1973, the Honorable Paul Snead, District Judge, entered an order vacating and dissolving the August 31, 1972, order. As a result of this action, proration in the South Carlsbad-Morrow Pool is in effect as of September 1, 1972, pursuant to Order R-1670-L.

Rule 15-A of Oil Conservation Commission Order No. R-1670-L provides in part:

If, at any time, a well is overproduced in an amount equaling six times its average monthly allowable for the preceding proration period, (or, in the case of a new well, six times the average monthly allowable for a unit of corresponding size) it shall be shut in during that month and each succeeding month until it is overproduced less than six times its average monthly allowable for the preceding proration period,...

Pending the outcome of the above-mentioned court action, allowables were published monthly for the wells in the pool, but the proration schedules bore the following notation "Proration suspended by court order until further notice."

The May proration schedule reflects that some of the wells in the South Carlsbad pool are more than six times overproduced. In view of the above-described circumstances, however, these wells will be allowed the remainder of the current proration period, which ends December 31, 1973, to become less than six times overproduced. Curtailment of production on such wells should begin immediately. Lack of evidence of a good faith effort to compensate for overproduction may result in a complete shut in order by the Commission.

May 2, 1973

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

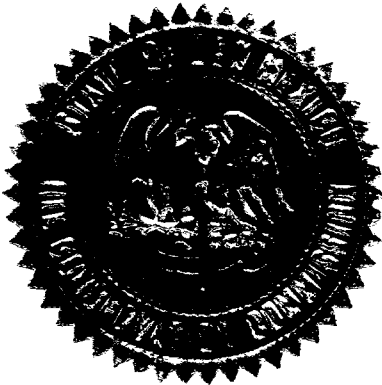
I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached is the original of my June 18, 1973, memorandum to all producers and purchasers in the South Carlsbad-Morrow Gas Pool concerning gas prorationing.


A. L. PORTER, Jr.
Secretary-Director

October 11, 1973



IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 11th day of October, 1973.


Notary Public

My Commission Expires:

Oct 28, 1977

OIL CONSERVATION COMMISSION

**STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501**

**I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR**

JUNE 18, 1973

M E M O R A N D U M

TO: ALL PRODUCERS AND PURCHASERS IN THE SOUTH CARLSBAD-MORROW GAS POOL

FROM: A. L. PORTER, Jr., SECRETARY-DIRECTOR

SUBJECT: GAS PRORATIONING

The gas proration schedule for July 1973 will contain a section for the South Carlsbad Gas Pool showing gas prorationing beginning April 11, 1973. It will include allowables for a portion of April and all of the months of May, June and July. You are directed to disregard all previously assigned allowables. An explanation follows:

In February of 1972 an application upon the motion of the Commission was docketed for an examiner hearing in Santa Fe on March 1, 1972 to consider prorating the South Carlsbad-Morrow Gas Pool. At the request of an operator the case was dismissed and readvertised to be heard by a quorum of the Commission in Hobbs on April 19, 1972.

After considering testimony which required the better part of two days, the Commission entered an order on June 30, 1972 which established prorationing effective September 1, 1972. On August 31, 1972 a stay order was issued by the district court which prohibited the Commission order being made effective on September 1.

Due to a succession of circumstances a petition by the Commission to have the stay order set aside was not heard until March 7, 1973. Upon that date the court ruled in favor of the Commission. The court order was filed on April 11, 1973. On May 2, 1973 a memorandum to all purchasers and producers in the pool announced that prorationing was being made effective September 1, 1972. Pending the

Memorandum - June 18, 1973

outcome of the court action allowables had been published monthly in the proration schedule, but the proration schedules bore the following notation: "Proration suspended by court order until further notice." All purchasers had been notified to this effect. The memorandum also suspended the shut-in provisions of Rule 15A of Commission Order No. R-1670-L until December 31, 1973.

Following the above-described action, Mr. William F. Carr, Commission Attorney, received a letter from Mr. David Norvell (copy attached) advising Mr. Carr to in turn advise the Commission that prorationing should not be made retroactive. On May 17, 1973 Mr. Carr issued a memorandum to the Commission to which he attached the letter of the attorney general. On May 21 the purchasers connected to overproduced wells were notified by telephone and in writing that curtailment of production in the South Carlsbad-Morrow Pool would not be required pending the outcome of certain legal questions which were to be resolved in District Court in early June of 1973.

The District Court heard the Case on June 5, 1973 and upheld the Commission's order. On June 14, 1973 the Commission's Director and attorney talked with Mr. Norvell concerning his letter of May 16, 1973, since the letter indicated that a further review of the data and research of the law would be made. Mr. Norvell gave us his answer in a letter dated June 15, 1973 (copy attached.) In compliance with this letter I have directed the gas proration department to make gas prorationing effective in the South Carlsbad-Morrow Gas Pool on April 11, 1973.

Since producers in the pool have not had an opportunity to know the amount of the allowables for April, May, and June, any wells that may be overproduced in excess of six times the average monthly allowable for the months available will be allowed until September 30, 1973 to become less than six times overproduced. Lack of evidence of a good faith effort to compensate for overproduction may result in a complete shut-in order by the Commission.

cc: Commissioners Trujillo and Armijo
Attorney General David Norvell
Governor Bruce King

ALP/ir



DAVID L. NORVELL
ATTORNEY GENERAL

STATE OF NEW MEXICO
Office of the Attorney General
DEPARTMENT OF JUSTICE
P. O. BOX 2246
Santa Fe, N. M. 87501

May 16, 1973

OLIVER E. PAYNE
DEPUTY ATTORNEY GENERAL

William F. Carr
Special Assistant Attorney General
Oil Conservation Commission
Land Office Building
Santa Fe, New Mexico

Re: Effect of Order Staying Oil Conservation Commission
Order.

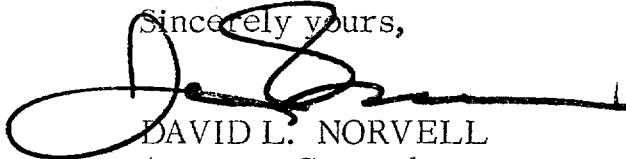
Dear Mr. Carr:

I am at this time reviewing the memorandum of Joel Carson concerning the effect of the order staying the Oil Conservation Commission order.

My initial reaction is that the order dissolving the stay order can be prospective only and that no penalty can be assessed which in effect would make the order retroactive, particularly in view of the clear language of the court on the day of the hearing which is included in the transcript, which to me clearly indicates the court intended the matter to operate prospectively only.

Therefore, I am advising you this date to, in turn, advise the Commission that no proration orders shall issue on the Carlsbad field in question which would have the effect of making this matter retroactive; and this shall be the position of the Office of the Attorney General until such time as we advise you to the contrary if, after reviewing the data we have received and re-searching the law, we come to a contrary conclusion.

Sincerely yours,



DAVID L. NORVELL
Attorney General

DLN:lg
cc: A. J. Losee



DAVID L. NORVELL
ATTORNEY GENERAL

STATE OF NEW MEXICO
Office of the Attorney General
DEPARTMENT OF JUSTICE
P. O. BOX 2246
Santa Fe, N. M. 87501

June 15, 1973

OLIVER E. PAYNE
DEPUTY ATTORNEY GENERAL

A. L. Porter, Jr.
Secretary - Director
Oil Conservation Commission
Land Office Building
Santa Fe, New Mexico

Dear Mr. Porter:

Pursuant to our conversation yesterday in which Mr. Carr and Mr. Payne were in attendance, and our subsequent conversation with Mr. Carr this morning, and in view of the complexity of and differing opinions regarding the issue of retroactivity, it has fallen upon this office pursuant to your request to respond.

Mr. Carr, desiring to perform the duties of his office commensurate with the desire of his superiors and at the same time desiring to fulfill his commitment as a Special Assistant Attorney General under this office, has requested that we advise you directly as to the official position of this office as to the retroactivity of the decision of the court entered earlier this month.

After meeting with you yesterday, we expanded upon the research previously done by this office and reflected by memorandum dated May 24, 1973, which has heretofore been submitted to you.

We have reviewed the memorandum of Mr. Carson, talked with Mr. Carr, and are well convinced that the law better supports the position of prospective application of the court's ruling on proration dated earlier this month, although it is not absolutely clear cut.

Therefore, it is the judgment of this office that proration of the field covered in the Grace hearing be applied prospectively only from the date this year when the order was signed by Judge Snead and was filed.

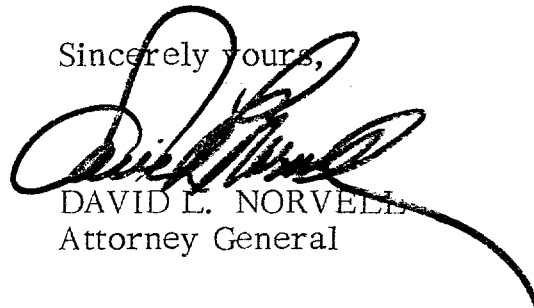
A. L. Porter,
Page #2
June 15, 1973

To do otherwise, in my opinion, would be contrariwise to what appears to be the majority rule in this matter.

We trust this matter can be resolved quickly and trust that you will provide this office with a copy of your proration order pursuant to the judgment of the court and opinion of this office.

Although admittedly this is a close question, it is the considered judgment of both Mr. Payne and myself that this position is far preferable than the alternatives which are available.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "David L. Norvell", is written over the typed name. The signature is fluid and cursive, with a long, sweeping underline that extends to the right.

DAVID L. NORVELL
Attorney General

DLN:lg

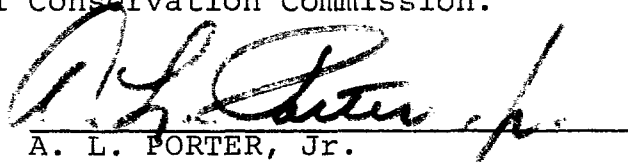
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
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LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

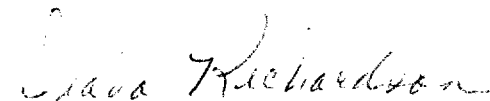
I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached is a true and correct copy from the files of the Oil Conservation Commission of Grace Exhibit No. 8 admitted into evidence on October 25, 1973, in Case 5085 before the Oil Conservation Commission.


A. L. PORTER, Jr.
Secretary-Director

November 2, 1973



IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 2nd day of November, 1973.


Notary Public

My Commission Expires:

October 28, 1977

Grace
Attention

1000

357

(10)

(4")

730A 1 1875

700A 2 1875

730A 3 1875

750A 4 1870

650A 5 2000

720A 6 1725

700A 7 1875

750A 8 1875

725A 9 1750

710A 10 1700

705 11 1650

700A 12 1560

700A 13 1500

645A 14 1475

720A 15 1450

655A 16 1450

650A 17 1500

655A 18 1440

19 1775

720A 20 1770

720A 21 1760

730A 22 1750

740A 23 1760

845A 24 1730

SI 10:30A ~~TP~~ 1960
SI TO 330 PM TP 1960

Bul Red water

2.8 3.8 3'11" 2'10"

2.7 3.7 3'11" 2'10"

2.2 3.8 4'8" 2'10"

2.3 3.7 6' 2'10"

6.6 1.8 6' 2'10"

6.7 1.8 6' 2'10"

6.8 1.8 6' 2'10"

6.8 1.8 6' 2'10"

6.8 1.7 6' 2'10"

6.8 1.7 6' 2'10"

6.8 1.6 6' 2'10"

6.6 1.7 6' 2'10"

6.7 1.7 6' 2'10"

6.6 1.6 6' 2'10"

6.6 1.7 6' 2'10"

6.5 1.9 6' 2'10"

7.0 1.6 6' 2'10"

7.1 1.5 6' 2'10"

7.5 3.7 3'0" 2'10"

7.5 3.7 3'0" 2'10"

7.5 3.6 3'1" 2'10"

7.3 3.7 3'3" 2'10"

7.4 3.6 3'7" 2'10"

7.3 x 3.5

5085 8
Grace
10/25/73

Grace
Attorney

1000

357

(10)

(4")

Bul	Reel	Water
2.9	3.8	3'11" 2'10"
2.7	3.7	4'5" 2'10"
2.2	3.8	4'8" 2'10"
7.3	3.7	6' 2'
6.6	1.8	6" 2'
6.7	1.8	6" 2'10"
6.3	1.5	7' 2'11"
6.8	1.7	7' 2'11"
6.8	1.7	7' 2'11"
6.8	1.7	7' 2'11"
6.8	1.6	7' 2'11"
6.6	1.7	7' 2'11"
6.7	1.7	6" 2'10"
6.6	1.6	10" 2'11"
6.6	1.7	13" 2'11"
6.5	1.9	2'0" 2'11"
7.0	1.6	2'0" 2'11"
7.1	1.5	2'0" 2'11"
7.5	3.7	3'0" 2'11"
7.5	3.7	3'0" 2'11"
7.5	3.6	3'1" 2'11"
7.3	3.7	3'3" 2'11"
7.4	3.6	3'7" 2'11"
7.3	3.5	3'5" 2'11"

730A 1 1875
700A 2 1875
730A 3 1875
750A 4 1870
650A 5 2000
730A 6 1875
700A 7 1875
700A 8 1800
725A 9 1750
710A 10 1700
705 11 1650
700A 12 1560
700A 13 1500
645A 14 1475
730A 15 1450
655A 16 1450
650A 17 1500
655A 18 1440
19 1775
720A 20 1770
720A 21 1760
730A 22 1750
740A 23 1760
845A 24 1730

BEFORE THE
OIL CONSERVATION COMMISSION
State of New Mexico
Case No. 5085 Exhibit No. 8
Submitted by Grace
Hearing Date 10/25/73

Grace
Attention

1000

357

(10)

(4")

Bul	Red	Water	
2.9	3.8	3'11"	2'10"
7.7	3.7	4'5"	2'10"
7.2	3.8	4'8"	2'10"
7.3	3.7	6"	2'11"
6.6	1.8	6"	2'11"
6.7	1.8	6"	2'11"
6.8	1.8	7'11"	2'11"
6.8	1.8	17'	2'11"
6.8	1.7	17'	2'11"
6.8	1.6	17'	2'11"
6.6	1.7	17'	2'11"
6.7	1.7	6"	2'11"
6.6	1.6	10"	2'11"
6.6	1.7	17'	2'11"
6.5	1.9	2'6"	2'11"
7.0	1.6	2'0"	2'11"
7.1	1.5	2'0"	2'11"
7.5	3.7	3'0"	2'11"
7.5	3.7	3'0"	2'11"
7.5	3.6	3'1"	2'11"
7.3	3.7	3'3"	2'11"
7.4	3.6	3'1"	2'11"
7.3	3.5	3'1"	2'11"

BEFORE THE
OIL CONSERVATION COMMISSION

State of New Mexico

Case No. 5085 Sub No. 8

Submitted by: Grace

Hearing Date 10/25/73

730A 1 1875

700A 2 1875

730A 3 1875

750A 4 1870

650A 5 2000

710A 6 1925

760A 7 1875

750A 8 1850

725A 9 1750

710A 10 1700

705 11 1650

700A 12 1560

700A 13 1500

645A 14 1475

700A 15 1450

655A 16 1450

750A 17 1500

655A 18 1440

19 1775

720A 20 1770

720A 21 1760

730P 22 1750

740A 23 1760

845A 24 1730

Grace
Attention

1000

357

(10)

(4")

Bul Red water

730A 1 1875
700A 2 1875
730A 3 1875
850A 4 1870
650A 5 2000
710A 6 1825
760A 7 1875
750A 8 1800
925A 9 1750
710A 10 1700
705 11 1650
900A 12 1560
720A 13 1500
645A 14 1475
730A 15 1450
655A 16 1450
750A 17 1500
655A 18 1440
19 1775
720A 20 1770
720A 21 1760
230A 22 1750
740A 23 1760
845A 24 1730

SI 3 10:30A ~~TP~~
SI TO 330 PM TP 1960

2.9 3.8 3'11" 2'10"
7.4 3.7 1'5" 2'12"
7.2 3.8 4'8" 2'10"
7.3 3.7 6" 2'1"
6.6 1.8 6" 2'1"
6.7 1.8 6" 2'10"
6.8 1.8 1'1" 2'11"
6.8 1.7 1'7" 2'11"
6.8 1.7 1'7" 2'11"
6.8 1.6 1'7" 2'11"
6.6 1.7 1'7" 2'11"
6.7 1.7 6" 2'11"
6.6 1.6 1'0" 2'11"
6.6 1.7 1'5" 2'11"
6.5 1.9 2'0" 2'11"
7.0 1.6 2'0" 2'11"
7.1 1.5 2'0" 2'11"
7.5 3.7 3'0" 2'11"
7.5 3.7 3'0" 2'11"
7.5 3.6 3'1" 2'11"
7.3 3.7 3'3" 2'11"
7.4 3.6 3'1" 2'11"
7.3 x 3.5

BEFORE THE
OIL CONSERVATION COMMISSION
State of New Mexico
Case No. 5085 Exhibit No. 8
Submitted by Grace
Hearing Date 10/25/73

Grace
Attention

1000

357

(10)

(4")

Bul	Red	water
2.9	3.8	3'11" 210
7.7	3.7	4'5" 212
7.2	3.8	4'8" 210
7.3	3.7	6' 21
6.6	1.8	6" 21
6.7	1.8	6" 210
6.8	1.5	11" 211
6.8	1.3	17" 211
6.8	1.7	17" 211
6.8	1.7	17" 211
6.6	1.7	17" 211
6.7	1.7	6" 210
6.6	1.6	10" 211
6.6	1.7	17" 211
6.5	1.9	2'6" 211
7.0	1.6	2'0" 211
7.1	1.5	2'0" 211
7.5	3.7	3'0" 211
7.5	3.7	3'0" 211
7.5	3.6	3'1" 211
7.3	3.7	3'3" 211
7.4	3.6	3'1" 211
7.3	3.5	3'1" 211

730A	1	1875	
700A	2	1875	
730A	3	1875	
750A	4	1870	SI 3 10:30A FL 7:30A 1960 TP
650A	5	2000	SI TO 330 PM TP 1960
710A	6	1925	
700A	7	1875	
700A	8	1800	
725A	9	1750	
710A	10	1700	
705	11	1650	
700A	12	1560	
700A	13	1500	
645A	14	1475	
720A	15	1450	
655A	16	1450	
750A	17	1500	
655A	18	1440	
	19	1775	
720A	20	1770	
720A	21	1760	
730P	22	1750	
740A	23	1760	
845A	24	1730	

BEFORE THE
OIL CONSERVATION COMMISSION
State of New Mexico

Case No. 5085 Exhibit No. 8

Submitted by Grace

Hearing Date 10/25/73

Grace
Attention

1000

357

(10)

(4")

Paul	Paul	water	
2.9	3.8	3'11"	2'10"
7.7	3.7	4'5"	2'10"
7.2	3.8	4'8"	2'10"
7.3	3.7	6'	2'10"
6.6	1.8	6"	2'10"
6.7	1.8	6"	2'10"
6.8	1.5	7'	2'11"
6.8	1.7	17'	2'11"
6.8	1.7	17'	2'11"
6.8	1.6	17'	2'11"
6.6	1.7	17'	2'11"
6.7	1.7	6'	2'11"
6.6	1.6	10'	2'11"
6.6	1.7	17'	2'11"
6.5	1.9	2'0"	2'11"
7.0	1.6	2'0"	2'11"
7.1	1.5	2'0"	2'11"
7.5	3.7	3'0"	2'11"
7.5	3.7	3'0"	2'11"
7.5	3.6	3'1"	2'11"
7.3	3.7	3'3"	2'11"
7.4	3.6	3'7"	2'11"
7.3	3.5	3'7"	2'11"

730A	1	1875
700A	2	1875
730A	3	1875
750A	4	1870
650A	5	2000
712A	6	1925
700A	7	1875
700A	8	1900
725A	9	1750
710A	10	1700
705	11	1650
700A	12	1560
700A	13	1500
645A	14	1475
700A	15	1450
655A	16	1450
750A	17	1500
655A	18	1440
	19	1775
720A	20	1770
720A	21	1760
730A	22	1750
740A	23	1760
845A	24	1730

BEFORE THE
OIL CONSERVATION COMMISSION
State of New Mexico
Case No. 5085 Sub No. 8
Submitted by Grace
Hearing Date 10/25/73

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

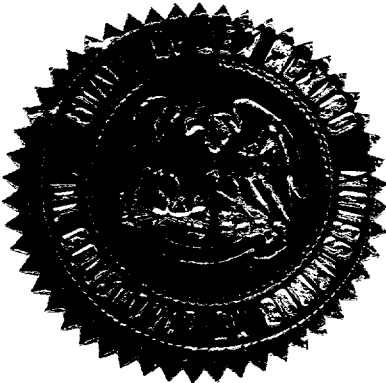
I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached is a true and correct copy of the Shut-In directive issued on October 2, 1973, which directed that the Grace Atlantic No. 1 Well be shut-in.


A. L. PORTER, Jr.
Secretary-Director

November 2, 1973



IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 2nd day of November, 1973.


Diana Richardson
Notary Public

My Commission Expires:

October 28, 1977

NEW MEXICO
OIL CONSERVATION COMMISSION
P. O. BOX 2048
SANTA FE, NEW MEXICO

GAS SUPPLEMENT NO. (NW) (SE) SF-3802

DATE 10/2/73

NOTICE OF WELL CONNECTION OR AUTHORITY TO ASSIGN ALLOWABLE
ALL VOLUMES EXPRESSED IN MCF

The operator of the following well has complied with all the requirements of the Oil Conservation Commission and may be assigned an allowable as shown below.

Date of Connection	Date of First Allowable or Allowable Change			
Purchaser	Pool			
Operator	Lease			
Well No.	Unit Letter	Sec	Twp.	Range
Dedicated Acreage	Revised Acreage	Difference		
Acreage Factor	Revised Acreage Factor	Difference		
Deliverability	Revised Deliverability	Difference		
A x D Factor	Revised A x D Factor	Difference		

DIST. #

CALCULATION OF SUPPLEMENTAL ALLOWABLE

MONTH	% OF MO.	PREV. ALLOW	REV. ALLOW	PREV. PROD.	REV. PROD.	REMARKS
JANUARY						
FEBRUARY						
MARCH						
APRIL						
MAY						
JUNE						
JULY						
AUGUST						
SEPTEMBER						
OCTOBER						
NOVEMBER						
DECEMBER						
TOTALS						
ALLOWABLE PRODUCTION DIFFERENCE - - - - -						
SCHEDULE O/U STATUS - - - - -						
REVISED O/U STATUS - - - - -						
EFFECTIVE IN SCHEDULE - - - - -						
PREVIOUS PERIOD ADJUSTMENTS - - - - -						CURRENT CLASSIFICATION TO

NOTICE OF SHUT-IN

For reason stated below, the following well is hereby directed to be shut in

Purchaser El Paso Natural Gas Co. Pool South Carlsbad Morrow Date 10/2/73
Operator Michael P. Grace II Lease Grace Atlantic Com
Well No. 1 Unit Letter J Sec. 24 Twp. 22S Range 26
Effective date of Shut-in 10/2/73 Reason for Shut-In Well is overproduced more than
six times its average monthly allowable from date of connection April 16, 1973,
through August, 1973

A. L. PORTER Jr., Director

By

SHUT-IN DATA SHEET

PURCHASER EL PASO
 OPERATOR M. P. GRACE II
 LEASE GRACE-ATLANTIC
 WELL NO. 1
 UNIT LETTER J
 S.T.R. 24-225-2GE
 POOL S. CARLSBAD-NORROW

EFFECTIVE DATE OF SHUT-IN 10/2/73
 SHUT-IN NOTICE NO. (107) (SE) SF-3802

YEAR 1973

BEGINNING SHUT-IN STATUS 1,061,302 MCF OVERPROD

MONTH	CURRENT ALLOWABLE	PRODUCTION	REDISTRIBUTION	STATUS	DATE RELEASED
JANUARY				OVER PRODUCTION	
FEBRUARY					
MARCH					
APRIL	<u>79,928</u>	<u>201,634</u>		<u>121,706</u>	
MAY	<u>111,346</u>	<u>492,613</u>		<u>502,973</u>	
JUNE	<u>161,275</u>	<u>601,074</u>	<u>388,170</u>	<u>554,582</u>	
JULY	<u>140,530</u>	<u>437,190</u>		<u>851,242</u>	
AUGUST	<u>204,584</u>	<u>414,644</u>		<u>1,061,302</u>	
SEPTEMBER					
OCTOBER					
NOVEMBER					
DECEMBER					

YEAR _____

BEGINNING SHUT-IN STATUS _____

JANUARY					
FEBRUARY					
MARCH					
APRIL					
MAY					
JUNE					
JULY					
AUGUST					
SEPTEMBER					
OCTOBER					
NOVEMBER					
DECEMBER					

REMARKS: AVE. MONTHLY ALLOW. = 149,482 MCF 6X AVE. MONTHLY ALLOW
AP. F. = 896,934 MCF. AT END OF AUGUST WELL WAS OVERPRODUCED
1,061,302 MCF, WHICH IS 164,374 MCF MORE THAN 6X AVE.
MONTHLY ALLOW

OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN

LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER

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

TO WHOM IT MAY CONCERN:


I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached are true and correct copies of the Grace-Atlantic Well No. 1 Well File.


A. L. PORTER, Jr.
Secretary-Director

October 17, 1973



IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 17th day of October, 1973.


Notary Public

My Commission Expires:

October 28, 1977

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TRANSPORTER	OIL	1
	GAS	1
OPERATOR		
PRORATION OFFICE		

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-1.
Effective 1-1-65

JUN 15 1973

Operator		Michael P. Grace II		ARTESIA OFFICE			
Address							
P. O. Box 1418, Carlsbad, New Mexico 88220							
Reason(s) for filing (Check proper box)				Other (Please explain)			
New Well	<input type="checkbox"/>	Change in Transporter of:		Add Transporter			
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 checked="" type="checkbox"/>

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name	Well No.	Pool Name, Including Formation	Kind of Lease	Lease No.
Grace Atlantic	1	Undes. So. Carlsbad	State, Federal or Fee	Fee
Location				
Unit Letter	J	1980 Feet From The	South	Line and 1980 Feet From The
Line of Section	24	Township	T22S	Range 26E, NMPM, Eddy County

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil	<input type="checkbox"/>	or Condensate	<input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)	
Navajo Crude Oil Purchasing Co.				P.O. Drawer 175, Artesia, New Mexico 88210	
Name of Authorized Transporter of Casinghead Gas	<input type="checkbox"/>	or Dry Gas	<input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)	
If well produces oil or liquids, give location of tanks.				Unit	Sec.
				J	24
				Twp.	22S
				Rge.	26E
				Is gas actually connected?	When
				Yes	April 16, 1973

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.
Date Spudded	Date Compl. Ready to Prod.	Total Depth			P.B.T.D.				
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation	Top Oil/Gas Pay			Tubing Depth				
Perforations			Depth Casing Shoe						
TUBING, CASING, AND CEMENTING RECORD									
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT				

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	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil - Bbls.	Water - Bbls.	Gas - MCF

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

I. 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.

Veronica L. Jones
(Signature)
June 13, 1973
(Date)

OIL CONSERVATION COMMISSION	
APPROVED	JUN 18 1973
BY	<i>W. A. Gressett</i>
TITLE	OIL AND GAS INSPECTOR

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

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

April 17, 1973

Mrs. Juanita L. Jones
P. O. Box 1418
Carlsbad, New Mexico 88220

Administrative Order TX-39

Dear Mrs. Jones:

Reference is made to your application for an exception to Rules 107(d)(2) and 107(d)(3) for the Michael P. Grace Grace Atlantic Well No. 1, located in Unit J of Section 24, Township 22 South, Range 26 East, South Carlsbad Morrow gas pool, Eddy County, New Mexico, to permit the production of gas through 4 1/2-inch tubing set at 11,000 feet. The uppermost perforation is at 11,424 feet.

Inasmuch as the gas produced from this well is very dry (gas-liquid ratio reported TSTM on 4-point test), it appears that this well can be produced in the manner proposed without causing waste. You are therefore granted the requested exception. The Commission does reserve the right, however, to rescind this authority if at any time it appears that the producing characteristics of the well have so changed that this method of production is causing or may cause waste.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/DSN/dr

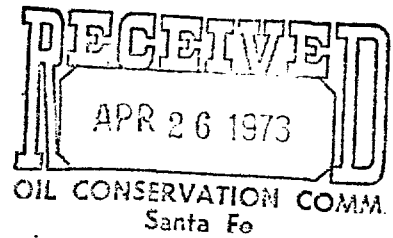
cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs

ILLEGIBLE

OIL CONSERVATION COMMISSION

BOX 1980

HOBBS, NEW MEXICO



NOTICE OF GAS CONNECTION

DATE April 23, 1973

This is to notify the Oil Conservation Commission that connection for
the purchase of gas from the Michael P. Grace II, Grace Atlantic COM,
Operator Lease
#1 (Morrow) J, 24-22-26, Carlsbad Morrow South
Well Unit S.T.R. Pool
61-333-01, 19000 4, El Paso Natural Gas Co.
Meter Code Site Number Name of Purchaser
was made on April 16, 1973.

El Paso Natural Gas Company
Purchaser

Travis R. Elliott
Representative
Travis R. Elliott

Gas Production Status Analyst
Title

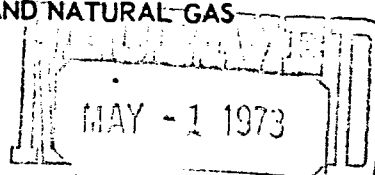
TRE:bl
cc: To operator
Oil Conservation Commission - Santa Fe
Oil Conservation Commission - Artesia (2)
Proration
H. P. Logan
T. J. Crutchfield
File

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OPERATOR		1
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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

APR 9 1973



I. Operator **O. E. C.** **OIL CONSERVATION COMM.**
Michael P. Grace II **ARTESIA, OFFICE** **Santa Fe**

Address **P. O. Box 1418, Carlsbad, New Mexico 88220**

Reason(s) for filing (Check proper box) Other (Please explain)

New Well ☒ Change in Transporter of: Oil ☐ Dry Gas ☐
Recompletion ☐ Oil ☐ Condensate ☐
Change in Ownership ☐ Casinghead Gas ☐ *add com to lease name*

If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Grace-Atlantic Com.	Well No. 1	Pool Name, Including Formation Undes. So. Carlsbad Morrow	Kind of Lease State, Federal or Fee Fee	Lease No.
Location Unit Letter J ; 1980 Feet From The South Line and 1980 Feet From The East Line of Section 24 Township T22S Range 26E , NMPM, Eddy County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
El Paso Natural Gas Company	El Paso Nat'l. Gas Bldg., El Paso, Texas
If well produces oil or liquids, give location of tanks.	Is gas actually connected? No gas When 4-16-73

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.
		XX	X					
Date Spudded 1/28/73	Date Compl. Ready to Prod. 3/15/73	Total Depth 11,772	P.B.T.D. 11,740					
Elevations (DF, RKB, RT, GR, etc.) 3162 GR	Name of Producing Formation Morrow	Top Oil/Gas Pay 11,424	Tubing Depth 11,000					
Perforations 11,424 - 11,444 4spf			Depth Casing Shoe 11768					
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					
17 1/2	13 3/8	356	375 sks Class "C"					
12 1/4	9 5/8	5402	1250 sks Hal. 1t. & 400 cl.H					
8 3/4	7	11768	100 Hal. 1t. & 400 cl.H					
	4 1/2	11000						

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	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D 65.737	Length of Test 4	Bbls. Condensate/MMCF 0	Gravity of Condensate
Testing Method (pilot, back pr.) back pr.	Tubing Pressure (Shut-in) 2581	Casing Pressure (Shut-in) Pkr	Choke Size variable

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.

Verita A. Jones
(Signature)

Agent

(Title)

4/6/73

(Date)

OIL CONSERVATION COMMISSION

APPROVED **APR 26 1973**

BY *W. A. Gussert*

TITLE **OIL AND GAS INSPECTION**

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

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LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

RECEIVED

MAR 22 1973

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name Grace-Atlantic
9. Well No. 1
10. Field and Pool, or Wildcat Und. S. Carlsbad Morrow
12. County Eddy

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. ☐ OIL WELL ☒ GAS WELL ☐ OTHER

2. Name of Operator
Michael P. Grace II

3. Address of Operator
P. O. Box 1418, Carlsbad, New Mexico

4. Location of Well
UNIT LETTER J, 1980 FEET FROM THE South LINE AND 1980 FEET FROM East
THE East LINE, SECTION 24 TOWNSHIP 22S RANGE 26E NMPM.

15. Elevation (Show whether DE, RT, GR, etc.)
3162 GR

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:	SUBSEQUENT REPORT OF:
PERFORM REMEDIAL WORK <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	CASING TEST AND CEMENT JOB <input checked="" type="checkbox"/>
OTHER <input type="checkbox"/>	OTHER <input type="checkbox"/>
PLUG AND ABANDON <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
CHANGE PLANS <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3/12/73 Ran 128 jts. 29#, 78 jts. 26#, 79 jts. 23# and 54 jts. 32# 7" casing and set @ 11,768'. Cemented With 100 sks. Halliburton lt. & 400 sks Class "H". Plug down @ 2 p.m. under 1250 psig. 128 bbls. slurry cmt. Height @ 8500' W.O.C. 24 hrs.

273jts 4 1/2" 15.50# C-75 PH6 Hydril Tubing set @ 11,000' Tested to 6000#

Baker 83 FA 47 Pkr seal assembly set @ 11,000'

Perforated 11,424' - 11,444' 4 spf.

RECEIVED
MAY - 1 1973
OIL CONSERVATION COMM.
Santa Fe

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. A. Grissett TITLE Agent DATE March 20, 1973

APPROVED BY W. A. Grissett TITLE OIL AND GAS INSPECTOR DATE APR 26 1973

MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
Revised 9-1-65

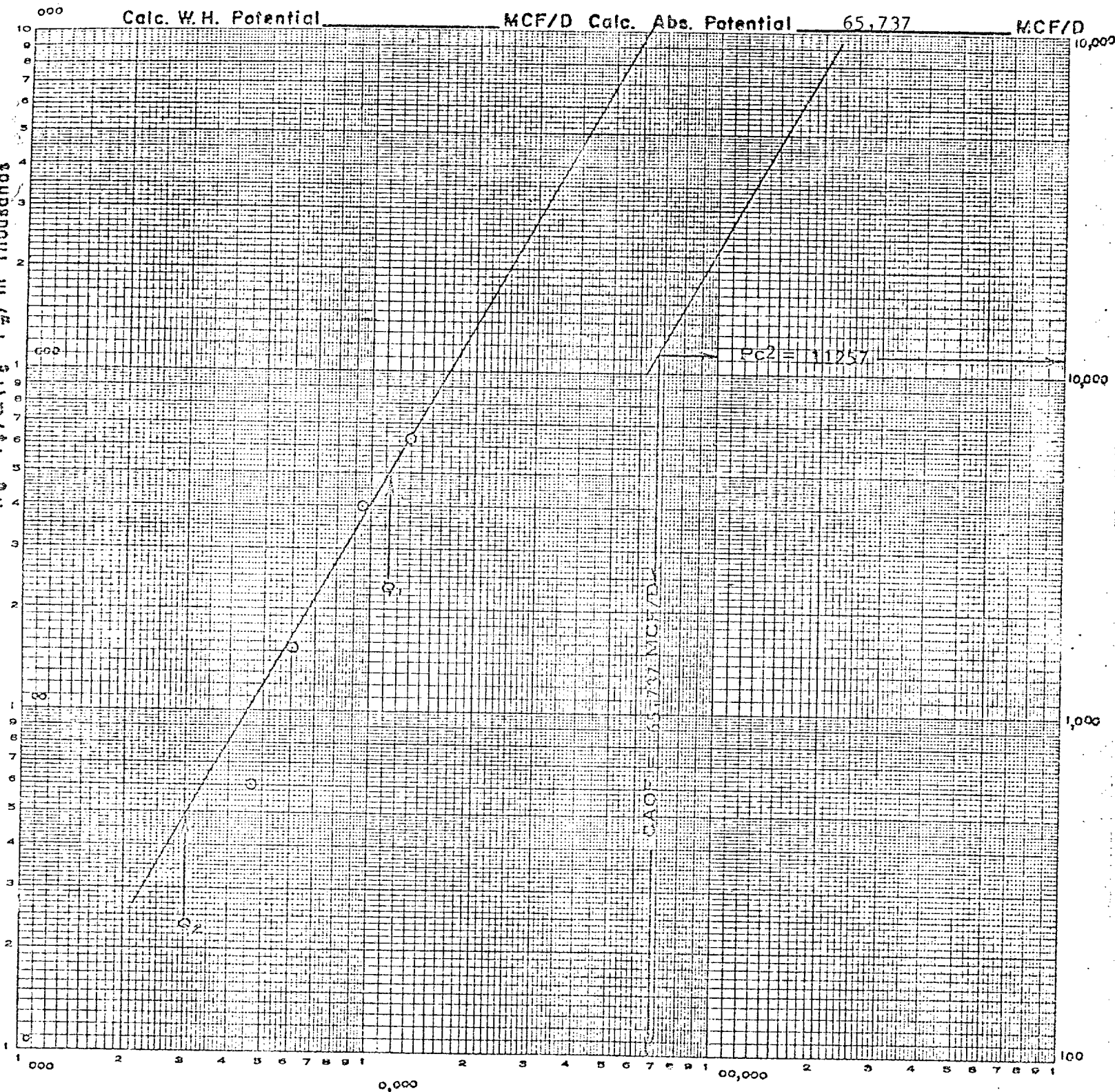
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Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special		Test Date 3-29-73			
Company <i>Michael P. Grace</i> CORINNE GRACE		Connection TO AIR			
Pool SOUTH CARLSBAD		Formation MORROW		Unit	
Completion Date 3-15-73		Total Depth 11,768		Plug Back TD 11,740	
Elevation 3174 GR		Farm or Lease Name GRACE ATLANTIC			
Csg. Size 7"	Wt. 32#	Set At 11,768	Perforations: From 11,424 To 11,444		Well No. 1
Tbg. Size 4 1/2"	Wt. 15.5#	Set At 11,000'	Perforations: From OPEN To ENDED		Unit Sec. Twp. Rge. J 24 22S 26E
Type Well - Single - Bradenhead - G.G. or G.O. Multiple SINGLE			Packer Set At 11,000'		County EDDY
Producing Thru 4 1/2" TUBING		Reservoir Temp. °F 190 @ 11,500'		Mean Annual Temp. °F 60	
Baro. Press. - P _a 13.2		State NEW MEXICO			
L None	H None	Gg 0.580	% CO ₂ 0.01	% N ₂ 0.002	% H ₂ S -
Prover -		Meter Run 4"		Taps -	
FLOW DATA					
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w
SI					
1.	4" X 3.00"			565.0	8.0
2.	4" X 3.00"			560.0	13.5
3.	4" X 3.00"			700.0	25.0
4.	4" X 3.00"			980.0	32.0
5.					
TUBING DATA					
				Press. p.s.i.g.	Temp. °F
				2581.0	
CASING DATA					
				Press. p.s.i.g.	Temp. °F
				PACKER	CHOKE
					72.0
					0.5
					0.5
					0.5
					0.5
RATE OF FLOW CALCULATIONS					
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g
1.	51.64	68.01	578.2	.9697	1.313
2.	51.64	87.97	573.2	.9768	1.313
3.	51.64	133.53	713.2	.9887	1.313
4.	51.64	178.28	993.2	.9943	1.313
5.					
Super Compress. Factor, F _{pv}					
					1.037
					1.039
					1.054
					1.078
Rate of Flow Q, Mcfd					
					4627
					6054
					9435
					12956
TSTM					
NO.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio Mcf/bbl.
1.	0.85	553	1.58	.930	A.P.I. Gravity of Liquid Hydrocarbons Deg.
2.	0.85	545	1.56	.927	Specific Gravity Separator Gas 0.580
3.	1.05	532	1.52	.901	Specific Gravity Flowing Fluid XXXXX
4.	1.48	526	1.50	.861	Critical Pressure 672 P.S.I.A.
5.					Critical Temperature 350 R
P _c 2355.2 P _c ² 11257					
NO.	P _r ²	P _w	P _w ²	P _c ² - P _w ²	(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 17.7276$
1.		3346.2	11197	60.0	(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 5.0739$
2.		3332.2	11104	153.0	
3.		3295.2	10858	399.0	
4.		3259.2	10622	635.0	
5.					
AOFF = 0 $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 65.737$					
Absolute Open Flow 65.737 Mcfd @ 15.025					
Angle of Slope θ 60.3°					
Slope, n 0.570					
Remarks: BOTTOM HOLE PRESSURES MEASURED WITH AMERADA GAUGE @ 11,500 FEET					
NOTE: MAXIMUM FLOW RATE LIMITED BY TEST EQUIPMENT, WHICH ACCOUNTS FOR SMALL PERCENTAGE					
OF DRAW-DOWN.					
Approved By Commission:		Conducted By: M.C.T.		Calculated By: R.L.W.	
				Checked By: J.W.W.	

BACK PRESSURE CURVE

Operator Michael F. Grace II
 CORINNE GRACE Lease GRACE ATLANTIC Well No. 1
 County EDDY Field SOUTH CARLSBAD Location J, SEC 24, T22S, R26E
 Date of Test 3-29-73 Slope "n" 0.570 W.H. Abs.

Calc. W.H. Potential MCF/D Calc. Abs. Potential 65,737 MCF/D



$$Q_1 = 11300 = 8.0530784$$

$$Q_2 = 3040 = 7.4828736$$

$$n = 0.5702048$$

$$CAOF = 12956 \left(\frac{11257}{635.0} \right)^{.570}$$

17.72755

1.2374432

= 65,737 MCF/DAY

*Note: This well is
operated by Michael
P. Grace II.*

April 17, 1973

Mrs. Juanita L. Jones
P. O. Box 1413
Carlsbad, New Mexico 88220

Administrative Order TX-39

Dear Mrs. Jones:

Reference is made to your application for an exception to Rules 157(2)(3) and 157(4)(3) for the Michael P. Grace Atlantic Well No. 1, located in Unit J of Section 24, Township 22 South, Range 26 West, Santa Fe National Monument gas pool, Eddy County, New Mexico, to permit the production of gas through a 1 1/2-inch tubing set at 11,200 feet. The uppermost perforation is at 11,434 feet.

Inasmuch as the gas produced from this well is very dry (gas-liquid ratio reported TERN on 4-point test), it appears that this well can be produced in the manner proposed without causing waste. You are therefore granted the requested exception. The Commission does reserve the right, however, to rescind this authority if at any time it appears that the producing characteristics of the well have so changed that this method of production is causing or may cause waste.

Very truly yours,

A. H. DOWNEY, Jr.
Secretary-Director

ADP/DSH/42

cc: Oil Conservation Commission - Artesia
Oil & Gas Engineering Committee - Hobbs

ILLEGIBLE

NEW MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
 Revised 9-1-65

Type Test <input checked="" type="checkbox"/> Initial <input type="checkbox"/> Annual <input type="checkbox"/> Special					Test Date 3-29-73	
Company CORINNE GRACE				Connection TO AIR		
Pool SOUTH CARLSBAD				Formation MORROW		Unit
Completion Date 3-15-73		Total Depth 11,768		Plug Back TD 11,740		Elevation 3174 GR
Csg. Size 7"	Wt. 32#	d 	Set At 11,768	Perforations: From 11,424 To 11,444		Well No. 1
Thq. Size 4 1/2"	Wt. 15.5#	d 	Set At 11,000'	Perforations: From OPEN To ENDED		Unit Sec. Twp. Rge. J 24 22S 26E
Type Well - Single - Bradenhead - G.G. or G.O. Multiple SINGLE				Packer Set At 11,000'		County EDDY
Producing Thru 4 1/2" TUBING		Reservoir Temp. °F 190 @ 11,500'		Mean Annual Temp. °F 60		Baro. Press. - P _a 13.2
State NEW MEXICO						
L	H	Gg	% CO ₂	% N ₂	% H ₂ S	Prover
Meter Run		Taps				

FLOW DATA						TUBING DATA		CASING DATA		Duration of Flow	
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.		Temp. °F
SI							2581.0		PACKER	CHOKE	72.0
1.	4"	X	3.00"	565.0	8.0	93	2578.0	62		12/64	0.5
2.	4"	X	3.00"	560.0	13.5	85	2563.0	62		17/64	0.5
3.	4"	X	3.00"	700.0	25.0	72	2525.0	60		23/64	0.5
4.	4"	X	3.00"	980.0	32.0	66	2473.0	60		27/64	0.5
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor Ft.	Gravity Factor Fg	Super Compress. Factor, Fpv	Rate of Flow Q, Mcfd
1	51.64	68.01	578.2	.9697	1.313	1.037	4637
2	51.64	87.97	573.2	.9768	1.313	1.039	6054
3	51.64	133.53	713.2	.9887	1.313	1.054	9435
4	51.64	178.28	993.2	.9943	1.313	1.078	12956
5							

NO.	P _t	Temp. °R	T _f	Z	Gas Liquid Hydrocarbon Ratio <u>TSTM</u> Mcf/bbl.		
					A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.		
					Specific Gravity Separator Gas <u>0.580</u>		XXXXXXX
					Specific Gravity Flowing Fluid <u>XXXXX</u>		
					Critical Pressure <u>672</u> P.S.I.A.		P.S.I.A.
					Critical Temperature <u>350</u> °R		°R

$P_c = 3355.2$ $P_c^2 = 11257$				
NO.	P _t ²	P _w	P _w ²	P _c ² - P _w ²
1		3346.2	11197	60.0
2		3332.2	11104	153.0
3		3295.2	10858	399.0
4		3259.2	10622	635.0
5				

(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 17.7276$

AOF = Q $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 65,737$

(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 5.0739$

Absolute Open Flow <u>65,737</u> Mcfd @ 15.025	Angle of Slope θ <u>60.3°</u>	Slope, n <u>0.570</u>
--	--------------------------------------	-----------------------

Remarks: BOTTOM HOLE PRESSURES MEASURED WITH AMERADA GAUGE @ 11,500 FEET

NOTE: MAXIMUM FLOW RATE LIMITED BY TEST EQUIPMENT, WHICH ACCOUNTS FOR SMALL PERCENTAGE OF DRAW-DOWN.

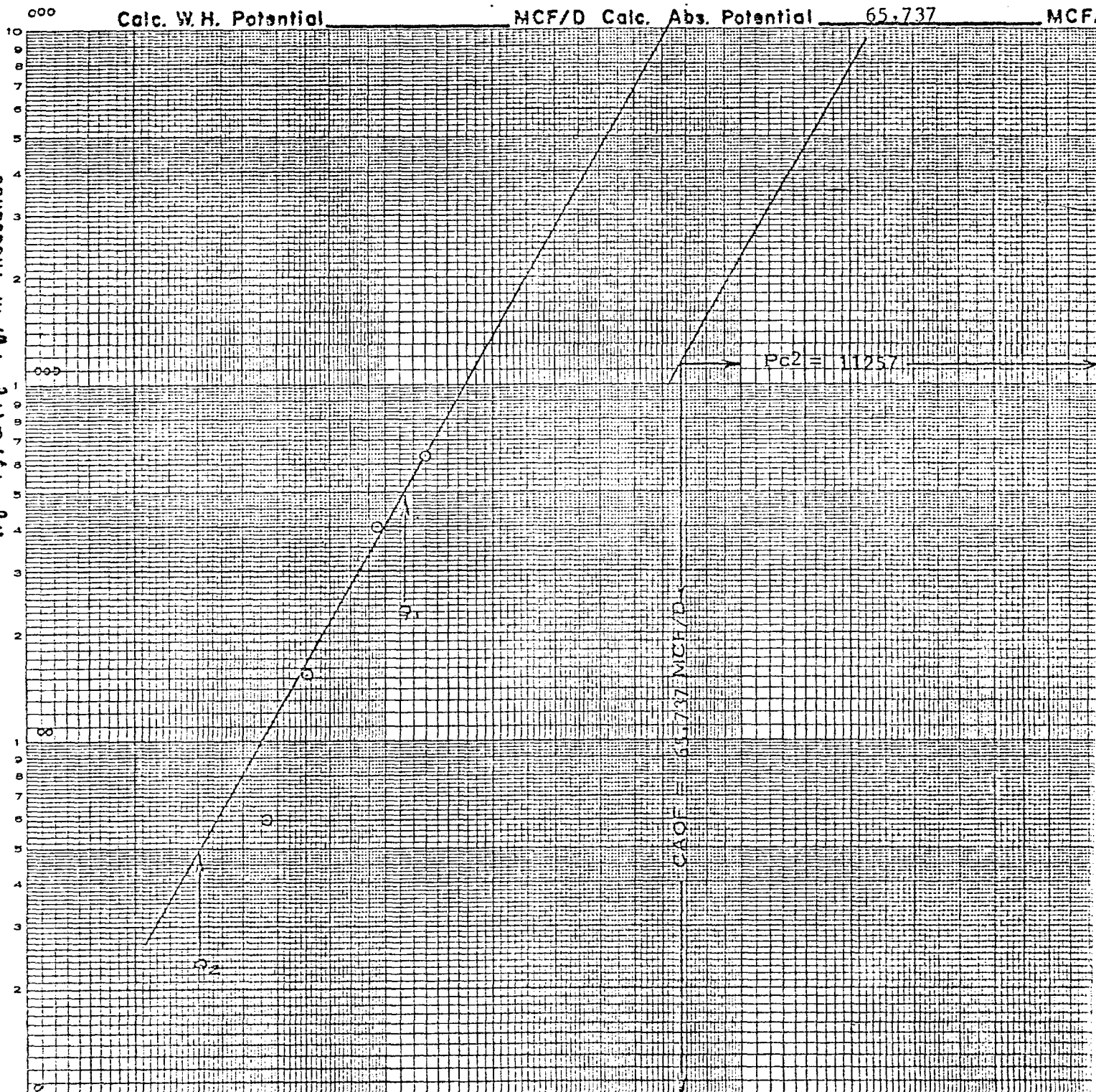
Approved By Commission:	Conducted By:	Calculated By:	Checked By:
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BACK PRESSURE CURVE

Operator CORINNE GRACE Lease GRACE ATLANTIC Well No. 1
 County EDDY Field SOUTH CARLSBAD Location J, SEC 24, T22S, R26E
 Date of Test 3-29-73 Slope "n" 0.570 W.H. Abs.
 Calc. W.H. Potential MCF/D Calc. Abs. Potential 65.737 MCF/D

EUGENE DIETZGEN CO.
 MADE IN U. S. A.
 $(P_0^2 - P_w^2) Q(P_0^2 - P_w^2)$ in Thousands

NO. 341-133 DIETZGEN GRAPH PAPER
 LOGARITHMIC
 3 CYCLES X 3 CYCLES



NO. OF COPIES RECEIVED	5
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SANTA FE	1
FILE	1
U.S.G.S.	2
LAND OFFICE	
OPERATOR	

Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

APR 2 1973

1a. TYPE OF WELL	
OIL WELL <input type="checkbox"/>	GAS WELL <input checked="" type="checkbox"/>
b. TYPE OF COMPLETION	
NEW WELL <input checked="" type="checkbox"/>	WORK OVER <input type="checkbox"/>
DEEPEN <input type="checkbox"/>	PLUG BACK <input type="checkbox"/>
DIFF. RESVR. <input type="checkbox"/>	OTHER <input type="checkbox"/>

7. Unit Agreement Name
8. Farm or Lease Name
Grace-Atlantic
9. Well No.
1

2. Name of Operator	
Michael P. Grace II ✓	
3. Address of Operator	
P. O. Box 1418. Carlsbad, New Mexico	

10. Field and Pool, or Wildcat
South Carlsbad

4. Location of Well	
UNIT LETTER J	LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM East
THE LINE OF SEC. 24	TWP. 22S RGE. 26E NMPM

12. County
Eddy

15. Date Spudded	16. Date T.D. Reached	17. Date Compl. (Ready to Prod.)	18. Elevations (DF, RKB, RT, GR, etc.)
1/28/73	3/11/73	3/15/73	3162 GR

19. Elev. Casinghead

20. Total Depth	21. Plug Back T.D.	22. If Multiple Compl., How Many	23. Intervals Drilled By	Rotary Tools	Cable Tools
11,772	11,740		0-TD		

25. Was Directional Survey Made
Yes

24. Producing Interval(s), of this completion — Top, Bottom, Name	
Morrow 11720 - 11744	

27. Was Well Cored
No

26. Type Electric and Other Logs Run	
Laterolog, Micro-Laterolog, Gamma Ray Neutron, BHC Acoustilog	

27. Was Well Cored
No

28. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 3/8	61#	356	17 1/2	375 sks Class "C"	circul.
9 5/8	35 & 40#	5402	12 1/4	1250 sks Hal.lt.&400 Class "C"	circul.
7	23#, 26#, 29#, 32#	11768	8 3/4	100 Hal.lt. & 400 Class "C"	

27. Was Well Cored
No

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					4 1/2	11,000	11,000'

27. Was Well Cored
No

31. Perforation Record (Interval, size and number)	
11,424 - 11,444 lispf	

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.	
DEPTH INTERVAL	AMOUNT AND KIND MATERIAL USED
None	None

33. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping — Size and type pump)				Well Status (Prod. or Shut-in)	
						Shut in	
Date of Test	Hours Tested	Choke Size	Prod'n. For Test Period	Oil — Bbl.	Gas — MCF	Water — Bbl.	Gas — Oil Ratio
3/29/73	4			* From last 4 point rate			Dry Gas
Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil — Bbl.	Gas — MCF	Water — Bbl.	Oil Gravity — API (Corr.)	
2473	pkf.			65,737			

34. Disposition of Gas (Sold, used for fuel, vented, etc.)	
To be sold	
CAOF 65,737	
Test Witnessed By	

35. List of Attachments	
all logs listed above	

36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.	
---	--

SIGNED	TITLE	DATE
<i>Michael P. Grace II</i>	Agent	April 2, 1973

SIGNED	TITLE	DATE
		April 2, 1973

INSTRUCTIONS

This form is to be filed with the appropriate District Office of the Commission not later than 20 days after the completion of any newly-drilled or deepened well. It shall be accompanied by one copy of all electrical and radio-activity logs run on the well and a summary of all special tests conducted, including drill stem tests. All depths reported shall be measured depths. In the case of directionally drilled wells, true vertical depths shall also be reported. For multiple completions, Items 30 through 34 shall be reported for each zone. The form is to be filed in quintuplicate except on state land, where six copies are required. See Rule 1105.

INDICATE FORMATION TOPS IN CONFORMANCE WITH GEOGRAPHICAL SECTION OF STATE

Southeastern New Mexico.

Northwestern New Mexico

T. Anhy _____	T. Canyon _____	T. Ojo Alamo _____	T. Penn. "B" _____
T. Salt _____	T. Strawn _____	T. Kirtland-Fruitland _____	T. Penn. "C" _____
B. Salt _____	T. Atoka _____	T. Pictured Cliffs _____	T. Penn. "D" _____
T. Yates _____	T. Miss _____	T. Cliff House _____	T. Leadville _____
T. 7 Rivers _____	T. Devonian _____	T. Menefee _____	T. Madison _____
T. Queen _____	T. Silurian _____	T. Point Lookout _____	T. Elbert _____
T. Grayburg _____	T. Montoya _____	T. Mancos _____	T. McCracken _____
T. San Andres _____	T. Simpson _____	T. Gallup _____	T. Ignacio Qtzte _____
T. Glorieta _____	T. McKee _____	Base Greenhorn _____	T. Granite _____
T. Paddock _____	T. Ellenburger _____	T. Dakota _____	T. _____
T. Blinebry _____	T. Gr. Wash _____	T. Morrison _____	T. _____
T. Tubb _____	T. Granite _____	T. Todilto _____	T. _____
T. Drinkard _____	T. Delaware Sand _____	T. Entrada _____	T. _____
T. Abo _____	T. Bone Springs _____	T. Wingate _____	T. _____
T. Wolfcamp _____	T. _____	T. Chinle _____	T. _____
T. Penn. _____	T. _____	T. Permian _____	T. _____
T. Cisco (Bough C) _____	T. _____	T. Penn. "A" _____	T. _____

FORMATION RECORD (Attach additional sheets if necessary)

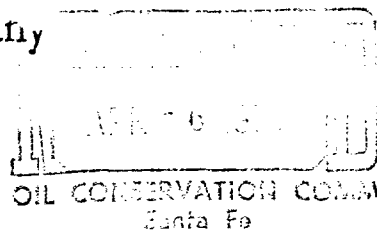
From	To	Thickness in Feet	Formation
0	700	700	Surface Sand & Shale
700	1800	900	Salt + Anhydrite
1800	1925	325	Lime & Sand
1925	4435	3010	Sand
4435	5250	315	Sand shale Anhy.
5250	6380	1090	Lime & shale
6380	6525	145	Sand & shale
6525	6870	345	Lime
6870	7010	140	Sand & shale
7010	7860	850	Lime
7860	7940	120	Sand & shale
7940	8360	780	Lime & shale
8360	8925	565	Sand & shale
8925	10205	1280	Shale & Lime
10205	11250	1045	Lime & shale
11250	11772	522	Sand & shale

From	To	Thickness in Feet	Formation
-	-	-	-
			Delaware sd. 1925
			Bone Spr. 5225
			1st sand. 6245
			2nd " 6870
			3rd " 7860
			Wolfcamp. 8770
			Canyon 9520
			Strawn 10225
			Atocha 10533
			Morrow 11128
			Burnett 11750

Big West Drilling Company

1714 COMMERCE BUILDING
FORT WORTH, TEXAS 76102

March 22, 1973



TO: MICHAEL P. GRACE
CORINNE GRACE
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220

RECEIVED

APR 2 1973

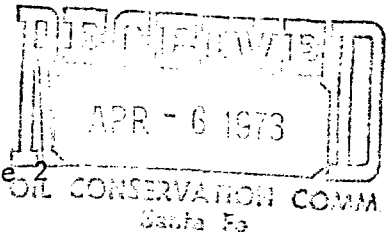
WELL NAME AND LOCATION: Grace Atlantic Well No. 1,
1980' FSL-1980' FEL,
Sec. 24, T-22-S, R-26-E,
Eddy County, New Mexico

O. C. C.
ARTESIA, OFFICE

EASTMAN DEVIATION RECORD

Date 1973	Depth	Degree of Deviation
1-28	260'	1/2
1-29	375'	3/4
1-30	660'	3/4
1-31	1,370'	1
2-1	1,860'	1 1/4
2-2	2,300'	1
	2,600'	1
2-3	3,095'	1 1/4
2-4	3,550'	1
2-5	4,125'	1
2-9	4,490'	1
2-13	5,396'	1
2-16	5,871'	1 1/4
2-17	6,368'	1 1/4
2-19	6,860'	1/2
2-20	7,340'	3/4
2-21	7,800'	1 1/2
2-22	8,290'	1 1/2
2-23	8,520'	1 1/2
2-24	9,010'	1 1/2
2-25	9,510'	1 1/2
2-27	9,980'	1 1/2
2-28	10,450'	2
3-1	10,690'	1 1/2
3-4	11,165'	1 1/2
	11,260'	1 3/4
3-6	11,470'	1 1/2
3-10	11,770'	1 3/4

Continued



Grace Atlantic Well No. 1, Eastman Deviation Record, Page 2

I hereby certify that I have personal knowledge of the data and facts placed on this form, and that such information given above is true and complete.

John E. Wilshe
JOHN E. WILSHER, Toolpusher
BIG WEST DRILLING COMPANY

Operator Affidavit:

Before me, the undersigned authority, on this day personally appeared Michael P Grace II, known to me to be the person whose name is subscribed hereto, who, after being duly sworn, on oath states that he is the Operator of the well identified in this instrument, and that such well was not intentionally deviated from the vertical whatsoever.

Michael P Grace II
Signature of Affiant

Operator
Title of Affiant

Sworn and Subscribed to before me, this 2nd day of April, 1973.

Marita R. Jones
Notary Public in and for
Eddy County, New
Mexico.

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SANTA FE	1 ✓
FILE	1
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

RECEIVED

NEW MEXICO OIL CONSERVATION COMMISSION
FEB 19 1973

O. C. C.
ARTESIA, OFFICE

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.
7. Unit Agreement Name
8. Farm or Lease Name Grace-Atlantic
9. Well No. 1
10. Field and Pool, or Wildcat Wildcat
12. County Eddy

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	2. Name of Operator Michael P. Grace II
3. Address of Operator P. O. Box 1418 Carlsbad, New Mexico	4. Location of Well UNIT LETTER J 1980 South 1980 FEET FROM THE LINE AND FEET FROM East 24 22S 26E THE LINE, SECTION TOWNSHIP RANGE NMPM.
15. Elevation (Show whether DF, RT, GR, etc.) 3162GR	16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐
TEMPORARILY ABANDON ☐
PULL OR ALTER CASING ☐
OTHER ☐

PLUG AND ABANDON ☐
CHANGE PLANS ☐
OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐
COMMENCE DRILLING OPNS. ☐
CASING TEST AND CEMENT JOB ☒
OTHER ☒
Progress Report

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

2/14/73 Ran 50 jts. of 40#, 85 jts. of 36# and 3 jts. of 40# 9 5/8" J-55 8 rd. csg. to a depth of 5406' set @ 5396'. cemented with 1250 sx. of Halliburton Lt. Wt. cement followed w/400 sks Class C w/3# per sack gilsonite. Circulated out 41 sacks. Plug down. W. O. C. 26 1/2 hours. Test B.O.P. to 2000# O.K.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Granita S. Jones Agent

DATE 2/16/73

APPROVED BY W. A. Gressett TITLE OIL AND GAS INSPECTOR

DATE FEB 19 1973

CONDITIONS OF APPROVAL, IF ANY:

RECEIVED
NEW MEXICO OIL CONSERVATION COMMISSION

JAN 31 1973

O. C. C.

ARTERIA, OFFICE

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

5a. Indicate Type of Lease

State ☐ Fee ☒

5. State Oil & Gas Lease No.

1. OIL ☐ GAS ☒ OTHER ☐

2. Name of Operator
Michael P. Grace II

3. Address of Operator
P. O. Box 1418 Carlsbad, New Mexico

4. Location of Well
UNIT LETTER J, 1980 FEET FROM THE South LINE AND 1980 FEET FROM
THE East LINE, SECTION 24 TOWNSHIP 22S RANGE 26E NMPM.

7. Unit Agreement Name

8. Farm or Lease Name
Grace-Atlantic

9. Well No.
1

10. Field and Pool, or Wildcat
Wildcat

15. Elevation (Show whether DF, RT, GR, etc.)

3162 GR

12. County

Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐

TEMPORARILY ABANDON ☐

PULL OR ALTER CASING ☐

PLUG AND ABANDON ☐

CHANGE PLANS ☐

OTHER ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐

COMMENCE DRILLING OPNS. ☐

CASING TEST AND CEMENT JOB ☐

OTHER ☐

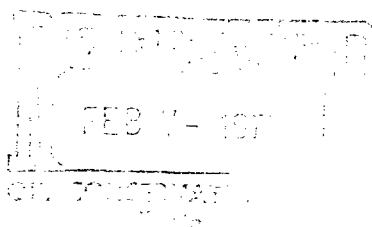
ALTERING CASING ☐

PLUG AND ABANDONMENT ☐

Progress report ☒

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded 1/28/73. Cemented 13 3/8" J-55 Buttress 61# casing at 356.65' GL with 375 sks. class "C" with 2# cacl/sk 14.8#/gal slurry (1.32 cu.ft./sk) and reversed out 30 sacks. Left 30' cement in pipe. Plug down at 6:30 a.m. W.O.C. 18 hours. Tested to 500# & held.



18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Veronica L. Jones TITLE Agent

DATE 1/29/73

APPROVED BY W.A. Gussert TITLE OIL AND GAS INSPECTOR

DATE FEB 6 1973

CONDITIONS OF APPROVAL, IF ANY:

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NEW MEXICO OIL CONSERVATION COMMISSION
RECEIVED

JAN 17 1973

30-015-20798

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease	
STATE <input type="checkbox"/>	FEE <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

O. C. C. APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			
1a. Type of Work		7. Unit Agreement Name	
b. Type of Well DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Grace - Atlantic	
2. Name of Operator Michael P. Gortane Grace #		9. Well No. 1	
3. Address of Operator P. O. Box 1118 Carlsbad, New Mexico 88220		10. Field and Pool, or Wildcat un. 10. Carlsbad morrow gas wildcat	
4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE OF SEC. 24 TWP. 22S RGE. 26E NNPM		12. County Eddy	
19. Proposed Depth 12,100		19A. Formation Morrow	20. Rotary or C.T. Rotary
21. Elevations (Show whether DF, RT, etc.) 3162 GR	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Big West Drilling Co.	22. Approx. Date Work will start 1/19/73

23. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8	61#	375	350	circel
12 1/4	9 5/8	40.5#	5100	1700	circel
8 3/4	7	26# & 29#	11000	300	9100
6 1/8	4 1/2	13.5#	12100	100	11000

RECEIVED
JAN 19 1973
OIL CONSERVATION COMM.
Santa Fe

Blow out preventor: Remote Control, Triple Ram

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 4-18-73

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Guarita R. Jones Title Agent Date 1/16/73

(This space for State Use)

APPROVED BY W. A. Gressett TITLE OIL AND GAS INSPECTOR DATE JAN 18 1973

CONDITIONS OF APPROVAL, IF ANY:

MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

RECEIVED
JAN 19 1973

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section

Operator GORINNE GRACE II <i>MICHAEL</i>		Lease GRACE ATLANTIC OIL CONSERVATION COMM.		Well COMM.	
Unit Letter J	Section 24	Township 22 SOUTH	Range 26 EAST	County Santa Fe	

Actual Footage Location of Well:

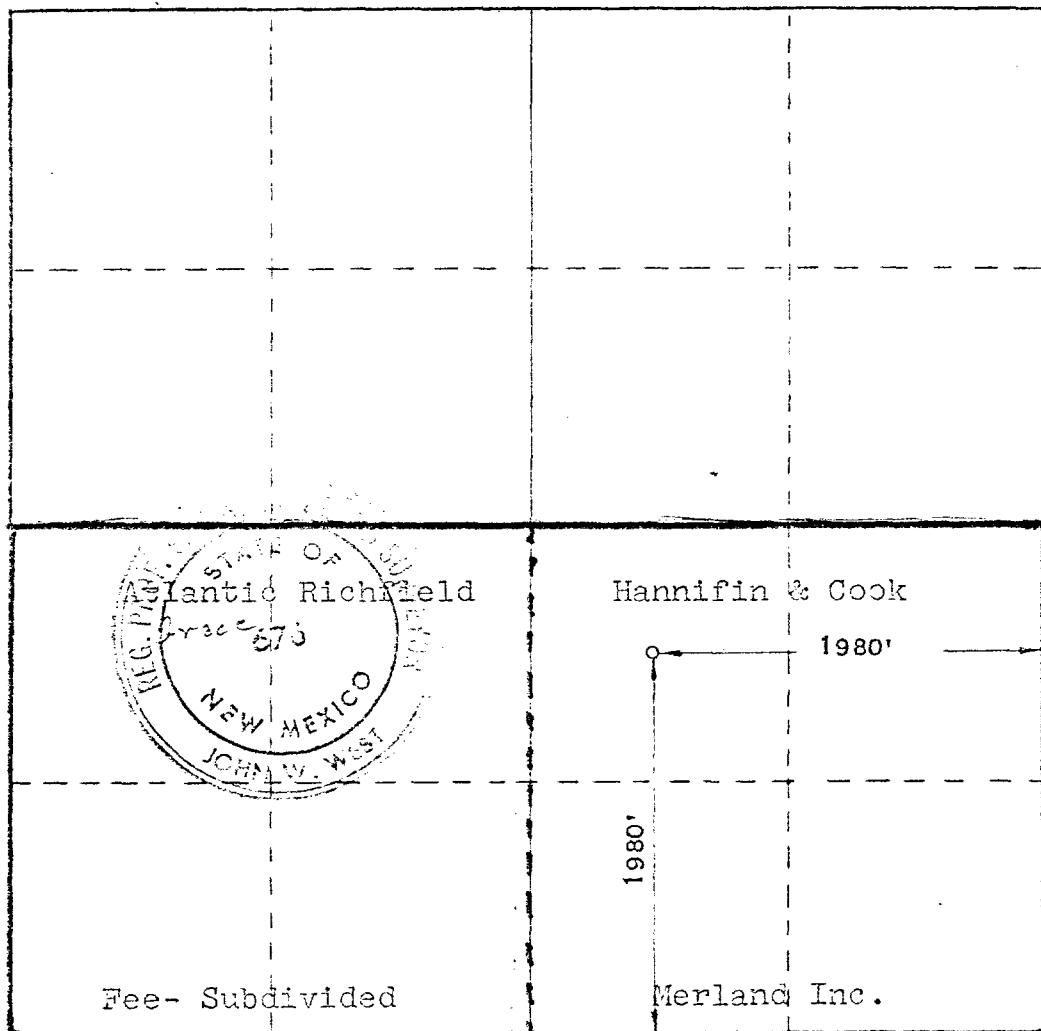
1980 feet from the SOUTH line and		1980 feet from the EAST line	
Ground Level Elev. 3174'	Producing Formation Morrow	Pool <i>Unit L. Carlsted Morrow</i>	Dedicated Acreage: 320 Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes," type of consolidation Force-pooling **R-4432**
11-8-72

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature *Michael P. Grace II*
Agent

Michael P. Grace II

Date **1/16/73**

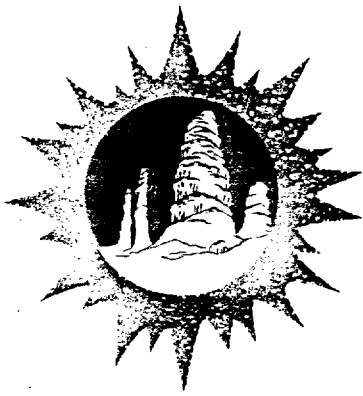
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
1-6-73

Registered Professional Engineer
and/or Land Surveyor

John W. West
Certificate No. **676**

0 330 660 990 1320 1650 1980 2310 2640 2970 3300 3630 3960 4290 4620 4950 5280 5610 5940 6270 6600



city of carlsbad



PHONE 887-1191 • BOX 1569 • CARLSBAD, NEW MEXICO 88220

Mayor — Walter Gerrells

City Administrator — Claude Tabor

January 16, 1973

Mr. W. A. Gressett
Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Dear Mr. Gressett:

This letter is to inform you that the City of Carlsbad has no objection to the following proposed location of Grace Oil Company Well in Section 24, Township 22 South, Range 26 East, N.M.P.M.:

A well site lying 1980' from the
South line and 1980' from the East
line of said Section.

I am informed that that location will not interfere with the operations of the Cavern City Air Terminal. As long as the well is drilled at the above location, the City of Carlsbad has no objection to drilling permits being issued.

Very truly yours,

Walter Gerrells
Mayor

WG:vg

cc: Mr. A. L. Porter, Jr., Oil Conservation Commission
Mr. Claude F. Tabor, City Administrator
Mr. Claude McCausland, Cavern City Air Terminal

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW ME. 30

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASE NO. 5054
Order No. R-4432-A

APPLICATION OF D. L. HANNIFIN AND
JOE DON COOK FOR DETERMINATION OF
REASONABLE WELL COSTS AND FOR AN
ORDER TERMINATING OPERATOR'S
WITHHOLDING PERIOD.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on August 28 and 29, 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 September, 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 pursuant to Cases Nos. R-4819 and R-4836, heard before an examiner of the Oil Conservation Commission on September 27, 1972, Order No. R-4432 was issued which force pooled the S/2 of Section 24, Township 22 South, Range 26 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico.

(3) That Order No. R-4432 created a standard communitized unit comprising 320 acres, named Michael P. Grace II the operator of said unit, established a risk factor of 25 percent to be assessed against any non-consenting working interest, and authorized the drilling of a well for the subject unit to be drilled at a standard location for the South Carlsbad-Morrow Gas Pool.

(4) That the SE/4 of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, is subject to a royalty payment of 18.75 percent, and the working interest ownership of said SE/4 of Section 24 is 81.25 percent; that the SW/4 of said Section 24 is subject to a royalty and overriding royalty payment of 25.0 percent, and the working interest ownership of said SW/4 of Section 24 is 75.0 percent.

(5) That subsequent to the issuance of Order No. R-4432, D. L. Hannifin, as Non-Consenting Working Interest Owner, and Barbara E. Hannifin, his wife, filed with the Commission a "Statement of Non-Consent" executed January 4, 1973, wherein D. L. Hannifin and Barbara E. Hannifin, his wife, stipulated that D. L. Hannifin is the working interest owner under an Oil and Gas Lease covering the SE/4 of Section 24, Township 22 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico, which said tract, together with the SW/4 of said Section 24, has been dedicated to a 320-acre standard location for the drilling of a test well in the Morrow formation underlying the S/2 of said Section 24; and that Michael P. Grace II has been designated by the New Mexico Oil Conservation Commission as the operator of the proposed well and unit. The Statement of Non-Consent stipulated further:

"The undersigned, D. L. Hannifin, non-consenting working interest owner, joined herein by his wife, Barbara E. Hannifin, hereby expressly elects not to pay his share of estimated well costs to Operator and in lieu thereof, hereby elects to pay his share of reasonable well costs out of production. The undersigned further certifies and agrees that \$135.00 per month should be fixed as a reasonable charge for the supervision (combined fixed rates) for the subject well; agrees to the 25% prorata risk share charge described in finding (7)(B); and agrees that Operator is authorized to withhold from production the proportionate share of such supervision charge attributable to the undersigned non-consenting working interest owner's interest, and Operator is authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to non-consenting working interest owner, all as more particularly defined in Order R-4432."

(6) That on January 28, 1973, Michael P. Grace II as Operator of the S/2 of Section 24, Township 22 South, Range 26 East, caused to be commenced the drilling of a well designated the Grace-Atlantic Well No. 1, located 1980 feet from the South line and 1980 feet from the East line of said Section 24, to a proposed depth of 12,100 feet to test the Morrow formation, the S/2 of said Section 24 being dedicated to the well.

(7) That on March 1, 1973, Michael P. Grace II and Corinne Grace, as "Seller," entered into a contract with El Paso Natural Gas Company, as "Buyer," for the sale of gas produced from those formations between the surface of the ground and the base of the Morrow formation underlying Seller's properties comprising certain lands, including the S/2 of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico; that said

contract provides that Buyer shall pay Seller for gas purchased thereunder at the rate of \$0.52 per MCF commencing on the date of first deliveries and continuing through the month of December, 1973, subject to adjustment for the heating value of the gas produced, either more or less than 1,000 BTU's per MCF; and subject to certain escalations after December, 1973.

(8) That on March 15, 1973, the above-described Grace-Atlantic Well No. 1 was completed and ready to produce; that on March 29, 1973, said well was tested and found to have a calculated absolute open flow potential of 65,737 MCF per day from perforations in the Morrow formation from 11,424 feet to 11,444 feet.

(9) That said Grace-Atlantic Well No. 1 was actually connected to the El Paso Natural Gas Company pipeline system April 16, 1973, and that gas production since that date has yielded, including the BTU adjustment described in Finding No. (7) above, \$0.62036 per MCF.

(10) That on July 30, 1973, D. L. Hannifin and Joe Don Cook, through their attorney, made application to the Commission seeking a determination of the reasonable well costs of the Grace-Atlantic well, and a determination of when Michael P. Grace II had been fully compensated for all reasonable well costs and the 25 percent risk charges and the pro rata share of reasonable well costs attributable to Hannifin and Cook on the well.

(11) That at the hearing the parties stipulated to the following facts:

(a) That the original cost of the well is \$439,986.35, one-half of which is subject to the 25 percent risk factor provided in Order No. R-4432.

(b) That additional charges have been incurred by the operator in the amount of \$25,694.75 and should be divided equally between the parties.

(c) That the Grace share of these costs (50 percent of the original costs and 50 percent of the additional costs) is \$232,840.56.

(d) That the Hannifin and Cook share of these costs (50 percent of the original costs, a 25 percent penalty thereon and 50 percent of the additional costs) is \$287,838.84.

(e) That the total well costs are \$520,679.40.

(f) That each party should pay 50 percent of the reasonable charge for supervision (combined fixed rates).

(g) That the reasonable charge for supervision pursuant to Commission Order No. R-4432, is \$135 per month which totals \$405 for the months of April, May and June, 1973, \$202.50 of which should be paid by each of the two parties.

(h) That the Grace total share of all costs is \$233,043.06.

(i) That the Hannifin and Cook share of all costs is \$288,041.34.

(12) That each of the 160-acre tracts communitized by Commission Order No. R-4432 should stand on its own insofar as royalty and overriding royalty payments are concerned; that accordingly, the working interest attributable to the SE/4 of Section 24, Township 22 South, Range 26 East, NMPM, Lea County, New Mexico, is 40.625 percent of the pooled unit interests as a whole; that the royalty interest underlying said SE/4 of Section 24 is 9.375 percent of the pooled unit interests as a whole; that the working interest attributable to the SW/4 of said Section 24 is 37.5 percent of the pooled unit interests as a whole; and the combined royalty interests and overriding royalty interests underlying said SW/4 of Section 24 total 12.5 percent of the pooled unit interests as a whole.

(13) That the current sales price for gas produced from the subject well is \$0.52 per MCF plus \$0.10036 per MCF BTU adjustment for a total of \$0.62036 per MCF. That the royalty under the SE/4 of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, is 18.75 percent of the production attributable to said tract. That the current rate of taxation on the production from the subject well is 6.419 percent of the value received for said production. That these are the proper factors to be used in determining the date on which production, less royalty and taxes, attributable to the subject SE/4 of Section 24 has paid out the stipulated costs chargeable to Hannifin and Cook through June, 1973, which total \$288,041.34.

(14) That from April 16, 1973, through 7 o'clock a.m. on June 26, 1973, the subject Grace-Atlantic Well No. 1 produced a total of 1,243,813 MCF of gas. That applying the factors described in Finding No. (13) above to this production indicates that at 7 o'clock a.m. on June 26, 1973, the portion of production attributable to the subject SE/4 of Section 24, less royalty and taxes, had paid out the costs attributable to Hannifin and Cook plus an additional \$661.09, or a total of \$288,702.43.

(15) That according to the evidence, gas is currently being sold from the subject well under a contract signed pursuant to the Federal Power Commission's Order No. 428-428 A dealing with Small Producer sales; that the sale of gas under such contracts is currently in litigation; that depending upon the outcome of such litigation, the sales price for gas from the subject well could be changed.

(16) That the Commission is in no position to determine what the final sales price for gas from the subject well will be, and can only rely upon the current price.

(17) That certain monies derived from the sale of gas from the subject well have been placed in escrow with the American Bank of Carlsbad, Carlsbad, New Mexico, pending the determination of payout of the well.

(18) That inasmuch as it has been determined that the Hannifin and Cook portion of total well costs was paid out at 7 o'clock a.m. June 26, 1973, plus \$661.09, it would appear that monies held in escrow from production after that date should be released to the applicants, Hannifin and Cook.

(19) That it should be up to the working interest owners in the subject well to arrive at a suitable arrangement regarding payment of funds derived from sale of gas from the subject well which may be excessive should the sales price of gas be adjusted retroactively and be subject to refund.

IT IS THEREFORE ORDERED:

(1) That the 18.75 percent royalty of the Hannifin portion of the subject unit, being the SE/4 of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, and the 25.0 percent royalty for the Grace portion of the subject unit being the SW/4 of said Section 24, are independent and separate from each other and cannot be pooled or averaged at the discretion of the operator into a uniform royalty percentage for the purpose of determining the payout date of the Michael P. Grace II Grace-Atlantic Well No. 1, located 1980 feet from the South line and 1980 feet from the East line of said Section 24.

(2) That the 18.75 percent royalty applicable to the SE/4 of said Section 24 shall be applied to one-half of the total production from the well, and the 25 percent royalty and overriding royalty applicable to the SW/4 of said Section 24 shall be applied to the other half of the total production from the well.

(3) That a tax rate of 6.419 percent of the production attributable to the SE/4 of said Section 24 shall be used in determining date of payout for the total share of well costs attributable to Hannifin and Cook through June, 1973.

(4) That the gas price to be used in determining the date of payout for the subject well shall be \$0.52 per MCF plus \$0.10036 per MCF BTU adjustment, for a total of \$0.62036 per MCF of gas.

(5) That the original well costs for the subject well are \$439,986.35, one-half of which, or \$219,993.18, are to be borne by Michael P. Grace II and one-half of which plus a 25 percent charge for risk, or \$274,991.47, are to be borne by D. L. Hannifin and Joe Don Cook.

(6) That additional costs incurred, totalling \$25,694.75, are not subject to any charge for risk, and shall be shared equally by the two parties to this hearing, Michael P. Grace II, and Hannifin and Cook.

(7) That Michael P. Grace II's total share of original well costs and additional costs incurred shall be \$232,840.56.

(8) That Hannifin and Cook's share of original well costs plus the 25 percent charge for risk, and their share of additional costs incurred, shall be \$287,838.84.

(9) That \$135.00 per month is a reasonable charge for supervision (combined fixed rates) for the subject well and totals \$405.00 for the months of April, May, and June, 1973. That this charge for supervision shall be borne equally by Michael P. Grace II and by Hannifin and Cook, thereby making each party's share \$202.50.

(10) That Michael P. Grace II's total share of reasonable well costs (defined as original well costs and additional costs incurred) and charge for supervision through June, 1973, shall be \$233,043.06.

(11) That Hannifin and Cook's total share of reasonable well costs (as defined above) plus a 25 percent penalty on the original well costs, and charge for supervision through June, 1973, shall be \$288,041.34.

(12) That \$288,041.34, being the total share of reasonable well costs (as defined above) plus a 25 percent penalty on the original well costs, and charge for supervision through June, 1973, attributable to Hannifin and Cook, is hereby determined to have been paid out by production attributable to the SE/4 of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, less royalty and taxes, at 7 o'clock on June 26, 1973, with an additional overpayment attributable to Hannifin and Cook of \$661.09.

(13) That any funds derived from the sale of gas from the subject well after 7 o'clock a.m. June 26, 1973, attributable to D. L. Hannifin and Joe Don Cook, and held in escrow by American Bank of Carlsbad shall be released to said Hannifin and Cook subject to agreement in writing between Hannifin and Cook and Michael P. Grace II as to future arrangements, escrow, bonding or whatever may be satisfactory to the parties involved, covering the difference, if any, between the current sales price of gas from the subject well and the future sales price of gas.

(14) 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

S E A L

dr/

NEW MEXICO OIL CONSERVATION COMMISSION
MULTIPOINT AND ONE POINT BACK PRESSURE TEST FOR GAS WELL

Form C-122
 Revised 9-1-65

Type Test <input type="checkbox"/> Initial <input checked="" type="checkbox"/> Annual <input type="checkbox"/> Special				Test Date 7-3-73			
Company MICHAEL P. CORINNE GRACE #				Connection EL PASO NATURAL GAS CO.			
Pool SOUTH CARLSBAD				Formation MORROW		Unit D. L. D. ARTESIA, OFFICE	
Completion Date 3-15-73		Total Depth 11,768'		Plug Back TD 11,740'		Elevation 3174' GR.	
Csg. Size 7"		Wt. 32#		Set At 11,768'		Perforations: From 11,424' To 11,444'	
Tbg. Size 4 1/2"		Wt. 15.5#		Set At 11,000'		Perforations: From OPEN To ENDED	
Type Well - Single - Bradenhead - G.G. or G.O. Multiple SINGLE				Packer Set At 11,000'		County EDDY	
Producing Thru TUBING		Reservoir Temp. °F 208° @ 11,500'		Mean Annual Temp. °F 60°		Baro. Press. - P _a 13.2	
L 11,000'		H 11,000'		Cg 0.580 EST.		% CO ₂ % N ₂ % H ₂ S	
				Prover 6"		Meter Run 6"	
						Taps FLANGE	

FLOW DATA							TUBING DATA		CASING DATA		Duration of Flow
NO.	Prover Line Size	X	Orifice Size	Press. p.s.i.g.	Diff. h _w	Temp. °F	Press. p.s.i.g.	Temp. °F	Press. p.s.i.g.	Temp. °F	
SI							2219.0		PKR.	CHOKE	
1.	6" X 4.00"				1.0	94	2214.0	81		10/64	120 MIN.
2.	6" X 4.00"				9.0	79	2181.0	82		18/64	70 "
3.	6" X 4.00"				16.8	70	2147.0	83		24/64	60 "
4.	6" X 4.00"				33.6	70	2062.0	86		30/64	60 "
5.											

RATE OF FLOW CALCULATIONS							
NO.	Coefficient (24 Hour)	$\sqrt{h_w P_m}$	Pressure P _m	Flow Temp. Factor F _t	Gravity Factor F _g	Super Compress. Factor, F _{pv}	Rate of Flow Q, Mcf/d
1	85.37	17.87	319.2	0.9688	1.313	1.021	1,981
2	85.37	56.92	360.0	0.9822	1.313	1.026	6,430
3	85.37	80.36	384.4	0.9905	1.313	1.030	9,190
4	85.37	122.81	448.9	0.9905	1.313	1.035	14,112
5.							

NO.	P _r	Temp. °R	T _r	Z	Gas Liquid Hydrocarbon Ratio T.S.T.M. Mcf/bbl.
1	0.48	554	1.58	.960	A.P.I. Gravity of Liquid Hydrocarbons _____ Deg.
2	0.54	539	1.54	.950	Specific Gravity Separator Gas 0.580 X X X X X X X X
3	0.57	530	1.51	.943	Specific Gravity Flowing Fluid X X X X X
4	0.67	530	1.51	.934	Critical Pressure 672 P.S.I.A. P.S.I.A.
5					Critical Temperature 350 R R

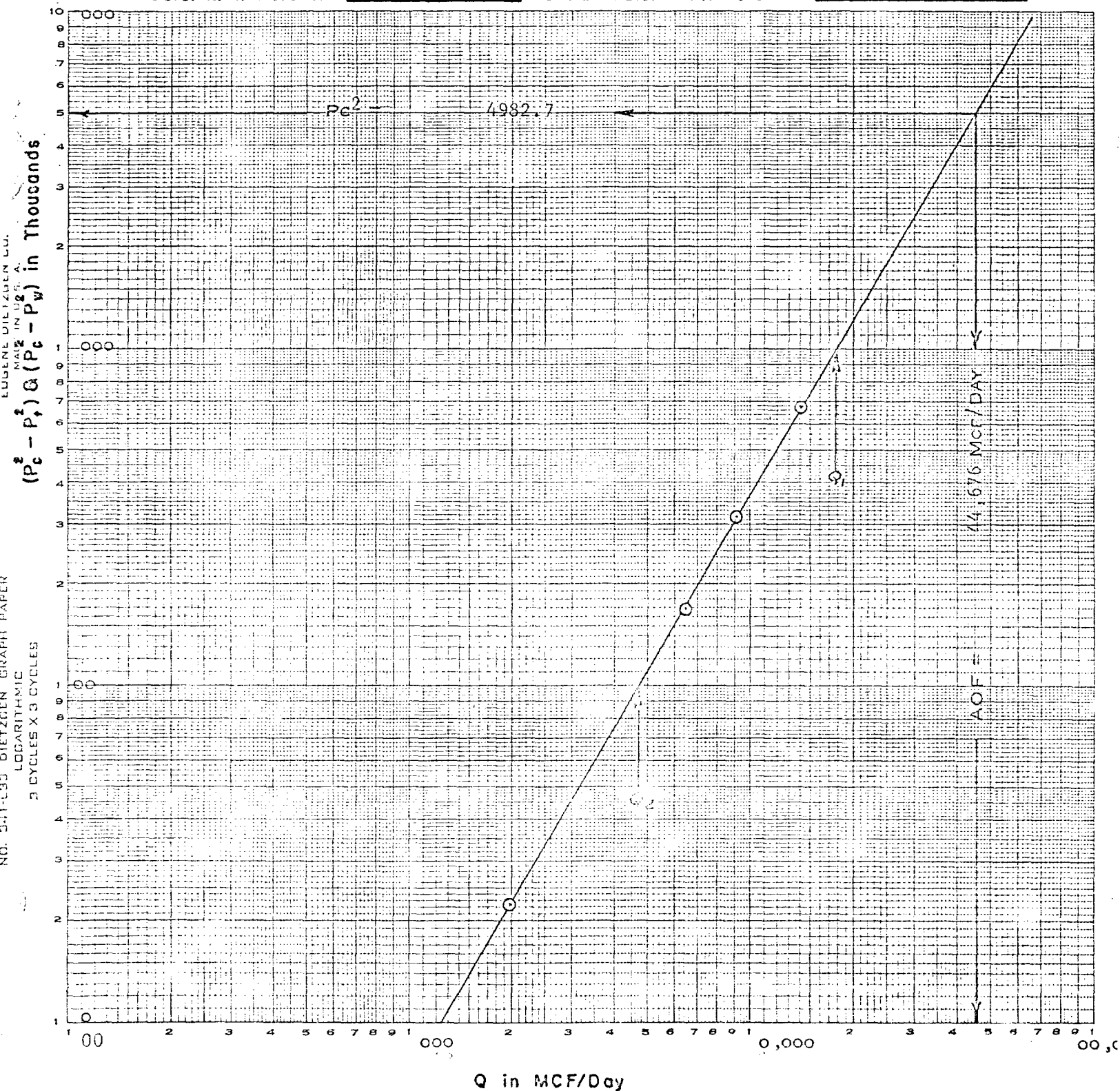
$P_c = 2232.2$ $P_c^2 = 4982.7$				(1) $\frac{P_c^2}{P_c^2 - P_w^2} = 7.3687$	(2) $\left[\frac{P_c^2}{P_c^2 - P_w^2} \right]^n = 3.1658$
NO.	P _r ²	P _w	P _w ²	P _c ² - P _w ²	
1	4960.4			22.3	
2	4814.5			168.2	
3	4666.5			316.2	
4	4306.5			676.2	
5					

Absolute Open Flow 44,676 Mcf/d @ 15.025				Angle of Slope θ 60.0°	Slope, n 0.577
--	--	--	--	-------------------------------	----------------

Remarks: FRICTION IS NEGLIGIBLE-
 BASED ON 100"-1000# METER RANGE THE L-10 CHART READINGS CONVERTED TO CONVENTIONAL READINGS PRIOR TO CALCULATING VALUMES

Approved By Commission:	Conducted By: D. TYSON	Calculated By: R. WEST	Checked By:
-------------------------	---------------------------	---------------------------	-------------

BACK PRESSURE CURVE

Operator CORINNE GRACE Lease GRACE ATLANTIC Well No. 1County EDDY Field SOUTH CARLSBAD Location J, SEC 24, T22S, R26EDate of Test 7-3-73 Slope "n" 0.577 W.H. Abs. Calc. W.H. Potential MCF/D Calc. Abs. Potential 44,676 MCF/D

$$\text{SLOPE } (n) = Q_1 = 17750 = 8.2491984$$

$$Q_2 = 4700 = 7.6720979$$

$$(n) = 0.5771005$$

$$\text{Abs. Pot.} = 14,112 \frac{4982.7}{676.2}^{.577} = 44,676 \text{ MCF/D}$$

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U.S.G.S.		
LAND OFFICE		
TRANSPORTER	OIL	
	GAS	1
OPERATOR		1
PRORATION OFFICE		

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

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

APR 9 1973

I. Operator
Michael P. Grace II ✓
O.C.C. ARTESIA. OFFICE
Address
P. O. Box 11118, Carlsbad, New Mexico 88220
Reason(s) for filing (Check proper box)
New Well ☒ Change In Transporter of:
Recompletion ☐ Oil ☐ Dry Gas ☐
Change In Ownership ☐ Casinghead Gas ☐ Condensate ☐
Other (Please explain)
add com to lease name.
If change of ownership give name and address of previous owner

II. DESCRIPTION OF WELL AND LEASE

Lease Name Grace-Atlantic com.	Well No. 1	Pool Name, Including Formation Unders. So. Carlsbad Morrow	Kind of Lease State, Federal or Fee	Fee	Lease No.
Location Unit Letter J, 1980 Feet From The South Line and 1980 Feet From The East Line of Section 24 Township T22S Range 26E, NMPM, Eddy County					

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
Name of Authorized Transporter of Casinghead Gas <input checked="" type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
El Paso Natural Gas Company	El Paso Nat'l. Gas Bldg., El Paso, Texas					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	is gas actually connected?	When
					No Yes	4-16-73

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.
		XX	X					
Date Spudded 1/28/73	Date Compl. Ready to Prod. 3/15/73	Total Depth 11,772	P.B.T.D. 11,740					
Elevations (DF, RKB, RT, GR, etc.) 3162 GR	Name of Producing Formation Morrow	Top Oil/Gas Pay 11,424	Tubing Depth 11,000					
Perforations 11,424 - 11,444 hspf			Depth Casing Shoe 11768					
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE	DEPTH SET	SACKS CEMENT					
17 1/2	13 3/8	356	375 sks Class "C"					
12 1/4	9 5/8	5402	1250 sks Hal. lt. 2400010					
8 3/4	7	11768	100 Hal. lt. & 400 cl.H					
	4 1/2	11000						

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)

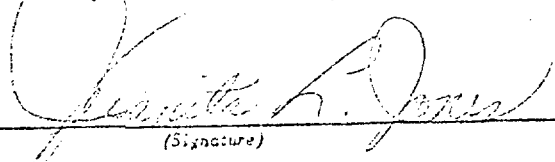
Date First New Oil Run To Tanks	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D 65,737	Length of Test 4	Bbls. Condensate/MMCF 0	Gravity of Condensate
Testing Method (pilot, back pr.) back pr.	Tubing Pressure (Shut-in) 2581	Casing Pressure (Shut-in) Pkr	Choke Size variable

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)
Agent
(Title)
4/6/73
(Date)

OIL CONSERVATION COMMISSION

APR 26 1973

APPROVED _____, 19____
BY W. A. Gressitt
TITLE OIL AND GAS INSPECTOR

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

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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-11.
Effective 1-1-65

JUN 15 1973

1. OPERATOR	
Operator <u>O. S. G.</u> <u>ARTESIA, OFFICE</u>	
Address <u>Michael P. Grace II</u> <u>P. O. Box 1418, Carlsbad, New Mexico 88220</u>	
Reason(s) for filing (Check proper box)	
New Well <input 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"/>
Other (Please explain) <u>Add Transporter</u>	

If change of ownership give name
and address of previous owner _____

II. DESCRIPTION OF WELL AND LEASE

Lease Name <u>Grace Atlantic Cont</u>	Well No. <u>1</u>	Pool Name, Including Formation <u>Undes. So. Carlsbad mem.</u>	Kind of Lease State, Federal or Fee <u>Fee</u>	Lease No.
Location				
Unit Letter <u>J</u> ; <u>1080</u> Feet From The <u>South</u> Line and <u>1080</u> Feet From The <u>East</u>				
Line of Section <u>24</u> Township <u>T22S</u> Range <u>26E</u> , NMPM, <u>Tddy</u> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input type="checkbox"/> or Condensate <input checked="" type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
<u>Navajo Crude Oil Purchasing Co.</u>	<u>P.O. Drawer 175, Artesia, New Mexico 88210</u>					
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)					
<u>El Paso Crude Oil Co.</u>	<u>P.O. Box 1324, Lubbock, Texas 79401</u>					
If well produces oil or liquids, give location of tanks.	Unit	Sec.	Twp.	Rge.	Is gas actually connected?	When
	<u>J</u>	<u>24</u>	<u>22S</u>	<u>26E</u>	<u>Yes</u>	<u>April 16, 1973</u>

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 Resv.	Diff. Resv.
Date Spudded	Date Compl. Ready to Prod.		Total Depth		P.B.T.D.			
Elevations (DF, RKB, RT, GR, etc.)	Name of Producing Formation		Top Oil/Gas Pay		Tubing Depth			
Perforations					Depth Casing Shoe			
TUBING, CASING, AND CEMENTING RECORD								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			

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	Date of Test	Producing Method (Flow, pump, gas lift, etc.)	
Length of Test	Tubing Pressure	Casing Pressure	Choke Size
Actual Prod. During Test	Oil-Bbls.	Water-Bbls.	Gas-MCF

GAS WELL

Actual Prod. Test-MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, 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.

Michael P. Grace II
(Signature)
June 13, 1973
(Date)

OIL CONSERVATION COMMISSION

JUN 18 1973

APPROVED _____, 19____
BY W. A. Gressert
TITLE OIL AND GAS INSPECTOR

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

OIL CONSERVATION COMMISSION

BOX 1980

HOBBS, NEW MEXICO

RECEIVED

APR 26 1973

O. C. C.
ARTESIA, OFFICE

NOTICE OF GAS CONNECTION

DATE April 23, 1973

This is to notify the Oil Conservation Commission that connection for
the purchase of gas from the Michael P. Grace II, Grace Atlantic,
Operator Lease
#1 (Morrow) J, 24-22-26, Carlsbad Morrow South,
Well Unit S.T.R. Pool
61-333-01, 19000 4, El Paso Natural Gas Co.,
Meter Code Site Number Name of Purchaser
was made on April 16, 1973.

El Paso Natural Gas Company
Purchaser

Travis R. Elliott
Representative
Travis R. Elliott

Gas Production Status Analyst
Title

TRE:bl
cc: To operator
Oil Conservation Commission - Santa Fe
Oil Conservation Commission - Artesia (2)
Proration
H. P. Logan
T. J. Crutchfield
File

I hereby certify that I have personal knowledge of the data and facts placed on this form, and that such information given above is true and complete.

J. E. Wilsner

JOHN E. WILSNER, Toolpusher
BIG WEST DRILLING COMPANY

Operator Affidavit:

Before me, the undersigned authority, on this day personally appeared Michael P. Grace II, known to me to be the person whose name is subscribed hereto, who, after being duly sworn, on oath states that he is the Operator of the well identified in this instrument, and that such well was not intentionally deviated from the vertical whatsoever.

Michael P. Grace II

Signature of Affiant

Operator

Title of Affiant

Sworn and Subscribed to before me, this 2nd day of

April, 1973.

Marita R. Jones

Notary Public in and for

Eddy County, New
Mexico.

Big West Drilling Company

1714 COMMERCE BUILDING
FORT WORTH, TEXAS 76102

March 22, 1973

RECEIVED

TO: MICHAEL P. GRACE
CORINNE GRACE
POST OFFICE BOX 1418
CARLSBAD, NEW MEXICO 88220

APR 2 1973

O. C. C.
ARTESIA, OFFICE

WELL NAME AND LOCATION: Grace Atlantic Well No. 1,
1980' FSL 1980' FEL,
Sec. 24, T-22-S, R-26-E,
Eddy County, New Mexico

EASTMAN DEVIATION RECORD

Date 1973	Depth	Degree of Deviation
1-28	260'	1/2
1-29	375'	3/4
1-30	660'	3/4
1-31	1,370'	1
2-1	1,860'	1 1/4
2-2	2,300'	1
	2,600'	1
2-3	3,095'	1 1/4
2-4	3,550'	1
2-5	4,125'	1
2-9	4,490'	1
2-13	5,396'	1
2-16	5,871'	1 1/4
2-17	6,368'	1 1/4
2-19	6,860'	1/2
2-20	7,340'	3/4
2-21	7,800'	1 1/2
2-22	8,290'	1 1/2
2-23	8,520'	1 1/2
2-24	9,010'	1 1/2
2-25	9,510'	1 1/2
2-27	9,980'	1 1/2
2-28	10,450'	2
3-1	10,690'	1 1/2
3-4	11,165'	1 1/2
	11,260'	1 3/4
3-6	11,470'	1 1/2
3-10	11,770'	1 3/4

Continued

Michael. Grouth

D.S.T.'s

GRACE-ATLANTIC # 1

S $\frac{1}{2}$ Section 24, T22S, R26E
Eddy County, New Mexico

RECEIVED

APR 6 1973

D. C. C.
ARTESIA, OFFICE

#1 38' from 4462 to 4490. Tool open for I.F. gas to surface in 18 min.
w/strong blow gradually weakening to medium blow (45 min.) Tool shut for
I.S.I.P. tool open for second flow. (1 $\frac{1}{2}$ hr.)

1 $\frac{1}{2}$ hr. I.S.I.P. 1986

3 hr. F.S.I.P. 2052

I.F. 107 Hy. 2304 Final Flow 444

Sampler: 300 cc water 600 cc oil 1.2 c.f.gas gas volume TSTM

Rec 300' good oil 642' oil & gas cut drilling fluid

Bottom hole temp 82°

#2 11479' Tool open for I.F. gas to surface in 32 min.

30 min pre-flow 3267

1 $\frac{1}{4}$ hr. I.S.I.P. 3419

1 hr. #2 Flow 3267

2 hr. F.S.I.P. 3419 temp. 188° stabilized on 1/2" ck. @ 1900#

appr. 12 mcf Sampler 3150 p.s.i. no fluid 14.05 cu.ft.gas

Hy 5545

#3 11477-620 143' 1/2 hr. open w/good blow inc. to strong blow

g.t.s. in 28 min 1 hr. s.i. 1 $\frac{1}{2}$ hr. f.f. 375# on 1/4 ck.

1/2 m.c.f. 3 hr. f.s.i.p.

rec. 668' g.c.d.m. sampler 450# p.s.i. 4.0 cu ft. gas (dry) no fluid

I.S.I.P. 4808

F.S.I.P. 4808

I.F.P. 241

F.F.P. 745

Hy. 5653

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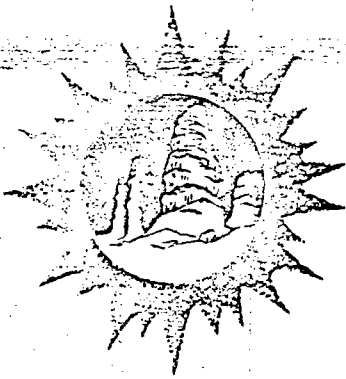
Form C-105
Revised 1-1-65

NEW MEXICO OIL CONSERVATION COMMISSION
WELL COMPLETION OR RECOMPLETION REPORT AND LOG

APR 2 1973

5.1. Indicate Type of Lease
State ☐ Fee ☒
5. State Oil & Gas Lease No.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> O.C.C. <input type="checkbox"/> 2. TYPE OF COMPLETION NEW WELL <input checked="" type="checkbox"/> WORK OVER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER <input type="checkbox"/>						7. Unit Agreement Name	
3. Name of Operator Michael P. Grace II						8. Farm or Lease Name Grace-Atlantic	
4. Address of Operator P. O. Box 1418, Carlsbad, New Mexico						9. Well No. 1	
5. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM East THE LINE OR SEC. 24 TWP. 22S RGE. 26E NMMPM						10. Field and Pool, or Wildcat South Carlsbad	
11. Date Spudded 1/28/73						12. County Eddy	
16. Date T.D. Reached 3/11/73		17. Date Compl. (Ready to Prod.) 3/15/73		18. Elevations (DF, RKB, RT, GR, etc.) 3162 GR		19. Elev. Casinghead	
20. Total Depth 11,772		21. Plug Back T.D. 11,740		22. If Multiple Compl., How Many		23. Intervals Drilled By Rotary Tools 0-TD	
24. Producing Interval(s), of this completion - Top, Bottom, Name Morrow 11424-444						25. Was Directional Survey Made Yes	
26. Type Electric and Other Logs Run Laterolog, Micro-Laterolog, Gamma Ray Neutron, BHC Acoustilog						27. Was Well Cored No	
28. CASING RECORD (Report all strings set in well)							
CASING SIZE	WEIGHT LB./FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED		
13 3/8	61#	356	17 1/2	375 sks Class "C"	circl.		
5 5/8	35 & 40#	5102	12 1/4	1250 sks Hal.lt. & 400 Class "C"	circl.		
7	23#, 26#, 29#, 32#	11768	8 3/4	100 Hal.lt. & 400 Class "H"			
29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
					4 1/2	11,000	11,000
31. Perforation Record (Interval, size and number) 11,424 - 11,444 4spf				32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. DEPTH INTERVAL NONE AMOUNT AND KIND MATERIAL USED NONE			
33. PRODUCTION							
Date First Production		Production Method (Flowing, gas lift, pumping - Size and type pump)				Well Status (Prod. or Shut-in) Shut in	
Date of Test 3/29/73	Hours Tested 4	Choke Size	Prod'n. For Test Period	Oil - Bbl. # From last 4 point rate	Gas - MCF	Water - Bbl.	Gas-Oil Ratio Dry Gas
Flow Tubing Press. 2473	Casing Pressure pkf.	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF 65,737	Water - Bbl.	Oil Gravity - API (Corr.)	
34. Disposition of Gas (Sold, used for fuel, vented, etc.) To be sold LAOF 65,737						Test Witnessed By	
35. List of Attachments all logs listed above							
36. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief.							
SIGNED <i>Wanita R. Jones</i>				TITLE Agent		DATE April 2, 1973	



city of carlsbad

PHONE 887-1191 • BOX 1569 • CARLSBAD, NEW MEXICO 88220
Mayor — Walter Gerrells City Administrator — Claude Tabor

January 16, 1973

Mr. W. A. Gressett
Oil Conservation Commission
Drawer DD
Artesia, New Mexico 88210

Dear Mr. Gressett:

This letter is to inform you that the City of Carlsbad has no objection to the following proposed location of Grace Oil Company Well in Section 24, Township 22 South, Range 26 East, N.M.P.M.:

A well site lying 1980' from the
South line and 1980' from the East
line of said Section.

I am informed that that location will not interfere with the operations of the Cavern City Air Terminal. As long as the well is drilled at the above location, the City of Carlsbad has no objection to drilling permits being issued.

Very truly yours,

Walter Gerrells
Mayor

WG:vg

cc: Mr. A. L. Porter, Jr., Oil Conservation Commission
Mr. Claude F. Tabor, City Administrator
Mr. Claude McCausland, Cavern City Air Terminal

**NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102
Supersedes C-122

All distances must be from the outer boundaries of the Section

<i>Michael P</i> CORINNE GRACE II			Lease GRACE ATLANTIC		Well No. 1
Unit Letter J	Section 24	Township 22 SOUTH	Range 26 EAST	County EDDY	
Actual Footage Location of Well: <div style="display: flex; justify-content: space-between;"> 1980 feet from the SOUTH line and 1980 feet from the EAST line </div>					
Ground Level Elev. 3174'	Producing Formation Morrow	Pool Unit <i>Willcox Co. Central Morrow</i>		Dedicated Acreage 320	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

☒ Yes ☐ No If answer is "yes" type of consolidation Force-pooling *R-4432*
11-8-72

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

	<p align="center">Hannifin & Cook</p> <div style="position: relative; height: 100px;"> <div style="position: absolute; top: 0; right: 0;">1980'</div> <div style="position: absolute; bottom: 0; left: 0;">1980'</div> </div>
<p align="center">Fee-Subdivided</p>	<p align="center">Merland, Inc.</p>

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name *Michael P. Jones*
Position
Agent

Michael P.
Corinne Grace II

Date
1/16/73

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
1-6-73

Registered Professional Engineer
and/or Land Surveyor

John W. West
Signature
675

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NEW MEXICO OIL CONSERVATION COMMISSION
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JAN 17 1973

O. C. C.

30-015-20798

Form C-101
Revised 1-1-65

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		7. Unit Agreement Name
b. Type of Well OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. Farm or Lease Name Grace - Atlantic
2. Name of Operator Michael P. Corinne Grace		9. Well No. 1
3. Address of Operator P. O. Box 1118, Carlsbad, New Mexico 88220		10. Field and Pool, or Wildcat Un. 20, Carlsbad mensu wildcat
4. Location of Well UNIT LETTER J LOCATED 1980 FEET FROM THE South LINE AND 1980 FEET FROM THE East LINE OF SEC. 24 TWP. 22S RGE. 26E NMPM		12. County Eddy
19. Proposed Depth 12,100		19A. Formation Morrow
20. Rotary or C.T. Rotary		
21. Elevations (Show whether DF, RT, etc.) 3162 GR	21A. Kind & Status Plug. Bond Blanket	21B. Drilling Contractor Big West Drilling Co.
22. Approx. Date Work will start 1/19/73		

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8	61#	375	350	circ
12 1/4	9 5/8	40.5#	5100	1700	circ
8 3/4	7	26# & 29#	11000	300	9100
6 1/8	4 1/2	13.5#	12100	100	11000

Blew out preventor: Remote Control, Triple Ram

APPROVAL VALID
FOR 90 DAYS UNLESS
DRILLING COMMENCED,
EXPIRES 4-18-73

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

Signed Francis R. Jones Title Agent Date 1/16/73

(This space for State Use)

APPROVED BY W. A. Gressett TITLE OIL AND GAS INSPECTOR DATE JAN 18 1973

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NEW MEXICO OIL CONSERVATION COMMISSION

JAN 31 1973

O. C. C.
ARTESIA, OFFICE

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>

5. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT -" (FORM C-101) FOR SUCH PROPOSALS.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	7. Unit Agreement Name
2. Name of Operator Michael P. Grace II ✓	8. Farm or Lease Name Grace-Atlantic
3. Address of Operator P. O. Box 1418 Carlsbad, New Mexico	9. Well No. 1
4. Location of Well UNIT LETTER <u>J</u> <u>1980</u> FEET FROM THE <u>South</u> LINE AND <u>1980</u> FEET FROM THE <u>East</u> LINE, SECTION <u>24</u> TOWNSHIP <u>22S</u> RANGE <u>26E</u> NMPM.	10. Field and Pool, or Wildcat Wildcat
15. Elevation (Show whether DF, RT, GR, etc.) 3162 GR	12. County Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOB <input type="checkbox"/>	OTHER <input checked="" type="checkbox"/> Progress report

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Spudded 1/28/73. Cemented 13 3/8" J-55 Buttress 61# casing at 356.65' GL with 375 sks. class "C" with 2# cacl/sk 14.8#/gal slurry (1.32 cu.ft./sk) and reversed out 30 sacks. Left 30' cement in pipe. Plug down at 6:30 a.m. W.O.C. 18 hours. Tested to 500# & held.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Veronica L. Jones TITLE Agent DATE 1/29/73

APPROVED BY W. A. Gressett TITLE OIL AND GAS INSPECTOR DATE FEB 6 1973

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OPERATOR	1

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NEW MEXICO OIL CONSERVATION COMMISSION
FEB 19 1973

O. C. C.
ARTESIA, OFFICE

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

5a. Indicate Type of Lease	
State <input type="checkbox"/>	Fee <input checked="" type="checkbox"/>
5. State Oil & Gas Lease No.	

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR.
USE "APPLICATION FOR PERMIT - A" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER		7. Unit Agreement Name
2. Name of Operator Michael P. Grace II ✓		8. Farm or Lease Name Grace-Atlantic
3. Address of Operator P. O. Box 1418 Carlsbad, New Mexico		9. Well No. 1
4. Location of Well UNIT LETTER J 1980 South 1980 East 24 22S 26E THE LINE, SECTION TOWNSHIP RANGE NMPM.		10. Field and Pool, or Wildcat Wildcat
15. Elevation (Show whether DF, RT, GR, etc.) 3162GR		12. County Eddy

16. Check Appropriate Box To Indicate Nature of Notice, Report or Other Data
NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>

SUBSEQUENT REPORT OF:

REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	OTHER <input checked="" type="checkbox"/>
Progress Report	

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1703.

2/14/73 Ran 50 jts. of 40#, 85 jts. of 36# and 3 jts. of 40# 9 5/8"
J-55 8 rd. csg. to a depth of 5406' set @ 5396'.
cemented with 1250 sx. of Halliburton Lt. Wt. cement followed
w/400 sks Class C w/3# per sack gilsonite. Circulated out
41 sacks. Plug down.
W. O. C. 26 1/2 hours. Test B.O.P. to 2000# O.K.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED W. A. Gussert TITLE Agent DATE 2/16/73

APPROVED BY W. A. Gussert TITLE OIL AND GAS INSPECTOR DATE FEB 19 1973

CONDITIONS OF APPROVAL, IF ANY:

NO. OF COPIES RECEIVED	3
DISTRIBUTION	
SANTA FE	1
FILE	1 ✓
U.S.G.S.	
LAND OFFICE	
OPERATOR	1

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-103
Supersedes Old
C-102 and C-103
Effective 1-1-65

MAR 22 1973

O. C. C.

SUNDY NOTICES AND REPORTS ON WELLS

(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER	5a. Indicate Type of Lease State <input type="checkbox"/> Fee <input checked="" type="checkbox"/>
2. Name of Operator Michael P. Grace II ✓	5. State Oil & Gas Lease No.
3. Address of Operator P. O. Box 1418, Carlsbad, New Mexico	7. Unit Agreement Name
4. Location of Well UNIT LETTER J 1980 FEET FROM THE South 1980 FEET FROM THE East LINE, SECTION 24 TOWNSHIP 22S RANGE 26E NMPM.	8. Farm or Lease Name Grace-Atlantic
	9. Well No. 1
	10. Field and Pool, or Wildcat Und. S. Carlsbad Morrow
15. Elevation (Show whether OF, RT, GR, etc.) 3162 GR	12. County Eddy

Check Appropriate Box To Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
PERFORM REMEDIAL WORK <input type="checkbox"/>	PLUG AND ABANDON <input type="checkbox"/>	REMEDIAL WORK <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
TEMPORARILY ABANDON <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	COMMENCE DRILLING OPNS. <input type="checkbox"/>	PLUG AND ABANDONMENT <input type="checkbox"/>
PULL OR ALTER CASING <input type="checkbox"/>	OTHER <input type="checkbox"/>	CASING TEST AND CEMENT JOBS <input checked="" type="checkbox"/>	OTHER <input type="checkbox"/>

17. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

3/12/73 Ran 128 jts. 29#, 78 jts. 26#, 79 jts. 23# and 54 jts. 32# 7" casing and set @ 11,768'. Cemented With 100 sks. Halliburton lt. & 400 sks Class "H". Plug down @ 2 p.m. under 1250 psig. 128 bbls. slurry cmt. Height @ 8500' W.O.C. 24 hrs.

273jts. 15.50# C-75 PH6 Hydril Tubing set @ 11,000' Tested to 6000#

Baker 83 FA 47 Pkr seal assembly set @ 11,000'

Perforated 11,424' - 11,444' 4 spf.

18. I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNED Heather A. Jones TITLE Agent DATE March 20, 1973

APPROVED BY W. A. Lissett TITLE OIL AND GAS INSPECTOR DATE APR 26 1973

CONDITIONS OF APPROVAL, IF ANY:

BEFORE THE OIL CONSERVATION COMMISSION
THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
COMMISSION OF NEW MEXICO FOR
THE PURPOSE OF CONSIDERING:

CASES NOS. 4819 AND 4836
Order No. R-4432

APPLICATION OF D. L. HANNIFIN FOR
COMPULSORY POOLING, EDDY COUNTY,
NEW MEXICO.

APPLICATION OF MICHAEL P. GRACE II
AND CORINNE GRACE FOR COMPULSORY
POOLING, EDDY COUNTY, NEW MEXICO.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on September 27, 1972, at Santa Fe, New Mexico, before Examiner Elvis A. Utz.

NOW, on this 8th day of November, 1972, the Commission, a quorum being present, having considered the testimony, the record, and the recommendations of the Examiner, 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 in Case No. 4819, the applicant, D. L. Hannifin, seeks an order pooling all mineral interests underlying the S/2 of Section 24, Township 22 South, Range 26 East, NMPM, South Carlsbad Field, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to a well to be drilled 1980 feet from the South line and 1980 feet from the East line of said Section 24.

(3) That in Case No. 4836, the applicants, Michael P. Grace II and Corinne Grace, seek an order pooling all mineral interests down to and including the Morrow formation underlying the S/2 of Section 24, Township 22 South, Range 26 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, to form a standard 320-acre unit to be dedicated to a well to be drilled at an orthodox location for said unit.

(4) That both applicants, D. L. Hannifin and Michael P. Grace II and Corinne Grace, seek to be named operator of the unit to be pooled.

(5) That Cases Nos. 4819 and 4836 were consolidated as both cases involve the same lands.

(6) That the evidence indicates that the entire S/2 of the above-described Section 24 can reasonably be presumed productive of gas from the South Carlsbad Gas Pool.

(7) That the evidence indicates that the entire S/2 of the above-described Section 24 can be efficiently and economically drained and developed by a well located at a point 1980 feet from the South line and 1980 feet from the East line of said Section 24.

(8) That there are interest owners in the proposed 320-acre proration unit who have not agreed to pool their interests.

(9) That to avoid the drilling of unnecessary wells, to protect correlative rights, and to afford to the owner of each interest in the unit the opportunity to receive without unnecessary expense his just and fair share of the gas in the pool, all mineral interests in the Morrow formation underlying the S/2 of Section 24, Township 22 South, Range 26 East, NMPM, South Carlsbad-Morrow Gas Pool, Eddy County, New Mexico, should be pooled to form a 320-acre standard unit to be dedicated to a well to be drilled at a standard location in said Section 24.

(10) That Michael P. Grace II should be designated the operator of the proposed well and unit.

(11) That any non-consenting working interest owner should be afforded the opportunity to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production.

(12) That any non-consenting working interest owner that does not pay his share of estimated well costs should have withheld from production his share of the reasonable well costs plus an additional 25% thereof as a reasonable charge for the risk involved in the drilling of the well.

(13) That any non-consenting interest owner should be afforded the opportunity to object to the actual well costs but that said actual well costs should be adopted as the reasonable well costs in the absence of such objection.

(14) That following determination of reasonable well costs, any non-consenting working interest owner that has paid his

share of estimated costs should pay to the operator any amount that reasonable well costs exceed estimated well costs and should receive from the operator any amount that paid estimated well costs exceed reasonable well costs.

(15) That \$135.00 per month should be fixed as a reasonable charge for supervision (combined fixed rates) for the subject well; that the operator should be authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(16) That all proceeds from production from the subject well which are not disbursed for any reason should be placed in escrow to be paid to the true owner thereof upon demand and proof of ownership.

IT IS THEREFORE ORDERED:

(1) That all mineral interest, whatever they may be, in the South Carlsbad-Morrow Gas Pool underlying the S/2 of Section 24, Township 22 South, Range 26 East, NMPM, Eddy County, New Mexico, are hereby pooled to form a 320-acre proration unit to be dedicated to a well to be drilled at a standard location in Section 24.

(2) That Michael P. Grace II is hereby designated the operator of the subject well and unit.

(3) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of estimated well costs within 30 days following the date of this order.

(4) That within 30 days from the date the schedule of estimated well costs is furnished to him, any non-consenting working interest owner shall have the right to pay his share of estimated well costs to the operator in lieu of paying his share of reasonable well costs out of production, and that any such owner who pays his share of estimated well costs as provided above shall remain liable for operating costs but shall not be liable for risk charges.

(5) That the operator shall furnish the Commission and each known working interest owner in the subject unit an itemized schedule of actual well costs within 60 days following completion of the well; that if no objection to the actual well

costs are received by the Commission, and the Commission has not objected within 60 days following completion of the well, the actual well costs shall be the reasonable well costs; provided however, that if there is an objection to actual well costs within said 60-day period, the Commission will determine reasonable well costs after public notice and hearing.

(6) That within 60 days following determination of reasonable well costs, any non-consenting working interest owner that has paid his share of estimated costs in advance as provided above shall pay to the operator his pro rata share of the amount that reasonable well costs exceed estimated well costs and shall receive from the operator his pro rata share of the amount that estimated well costs exceed reasonable well costs.

(7) That the operator is hereby authorized to withhold the following costs and charges from production:

(A) The pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 60 days from the date the schedule of estimated well costs is furnished to him.

(B) As a charge for the risk involved in the drilling of the well, 25% of the pro rata share of reasonable well costs attributable to each non-consenting working interest owner who has not paid his share of estimated well costs within 30 days from the date the schedule of estimated well costs is furnished to him.

(8) That the operator shall distribute said costs and charges withheld from production to the parties who advanced the well costs.

(9) That \$135.00 per month is hereby fixed as a reasonable charge for supervision (combined fixed rates) for the subject well; that the operator is hereby authorized to withhold from production the proportionate share of such supervision charge attributable to each non-consenting working interest, and in addition thereto, the operator is hereby authorized to withhold from production the proportionate share of actual expenditures required for operating the subject well, not in excess of what are reasonable, attributable to each non-consenting working interest.

(10) That any unsevered mineral interest shall be considered a seven-eighths (7/8) working interest and a one-eighth (1/8) royalty interest for the purpose of allocating costs and charges under the terms of this order.

(11) That any well costs or charges which are to be paid out of production shall be withheld only from the working interests' share of production, and no costs or charges shall be withheld from production attributable to royalty interests.

(12) That all proceeds from production from the subject well which are not disbursed for any reason shall be placed in escrow in Eddy County, New Mexico, to be paid to the true owner thereof upon demand and proof of ownership; that the operator shall notify the Commission of the name and address of said escrow agent within 90 days from the date of this order.

(13) 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


Bruce King
BRUCE KING, Chairman

Alex J. Armiijo
ALEX J. ARMIJO, Member

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

S E A L

dr/

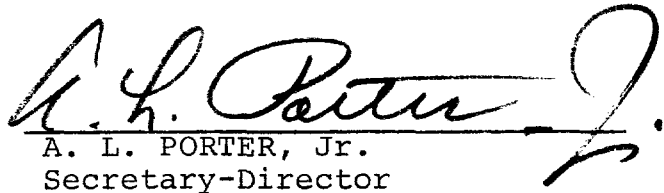
OIL CONSERVATION COMMISSION

STATE OF NEW MEXICO
P. O. BOX 2088 - SANTA FE
87501

I. R. TRUJILLO
CHAIRMAN
LAND COMMISSIONER
ALEX J. ARMIJO
MEMBER
STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

TO WHOM IT MAY CONCERN:

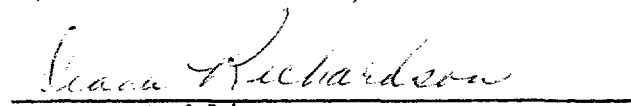
I, A. L. PORTER, Jr., Secretary-Director of the New Mexico Oil Conservation Commission, do hereby certify that the attached is a true and correct copy of the Prorated Wells - South Carlsbad-Morrow Gas Pool.


A. L. PORTER, Jr.
Secretary-Director

October 19, 1973



IN WITNESS WHEREOF, I have affixed my hand and notarial seal this 19th day of October, 1973.


Notary Public

My Commission Expires:

October 28, 1977

PRORATED WELLS - SOUTH CARLSBAD-MORROW GAS POOL

<u>PRODUCER</u>	<u>LEASE</u>	<u>WELL NO.</u>	<u>LOCATION</u>	<u>DATE COMPLETED</u>	<u>DATE TESTED</u>	<u>DATE CONNECTED</u>	<u>TEST HOURS</u>	<u>MCF GAS</u>
PURCHASER: EL PASO NATURAL GAS COMPANY								
Corinne Grace	Grace Carlsbad	1	I-36-22S-26E	5- 4-72	7- 7-72	4-16-73	4	8,527
Michael P. Grace	Grace Atlantic Com	1	J-24-22S-26E	3-15-73	3-29-73	4-16-73	4	CAOF 65,737
Midwest Oil Corp.	N.M. W State	1	G- 3-23S-26E	11- 9-72	11- 9-72	7- 2-73	9.5	370
Phillips Petr. Co.	Drag A	1	C-18-23S-27E	5-21-72	5-25-72	11-29-72	NR	Cal. 4,968
Phillips Petr. Co.	Drag B	1	K-18-23S-27E	8- 2-72	8- 7-72	11-29-72		Cal. 18,176
Phillips Petr. Co.	Tidwell A Com	1	E- 8-23S-27E	1-24-73	1-31-73	4-11-73	4	Cal. 6,738
PURCHASER: EL PASO NATURAL GAS AND LLANO								
Phillips Petr. Co.	Drag B	2	C-19-23S-27E	3-15-73	5-31-73	5-31-73	4	Cal. 6,742
PURCHASER: LLANO INCORPORATED								
Morris R. Antweil	Allen	1	J-31-22S-27E	10- 3-70	10- 3-70	9-30-71	1	3,125
Morris R. Antweil	Little Jewel Com	1	F-31-22S-27E	4-20-71	4-20-71	9-30-71	1	6,139
The Superior Oil Co.	Ryan	1	D- 5-23S-27E	12-30-72	1- 8-73	2-13-73	2	76
The Superior Oil Co.	Stephens A	1	N- 7-23S-27E	5-22-73	5-23-73	7-25-73	4	916
PURCHASER: TRANSWESTERN PIPELINE CO.								
Brunson & McKnight	Howard Hemler Com	1	L-29-22S-27E	3- 6-73	3- 6-73	5-14-73	4	3,502
Cities Service Oil Co	Merland C Com	1	F-19-22S-27E	5-12-73	8-15-73	8-15-73	2	NR
Cities Service Oil Co	Strackbein A	1	E-32-22S-27E	12-17-70	12-17-70	11- 9-71	4	AOF 4,900
Corinne Grace	City of Carlsbad Com	1	O-25-22S-26E	3- 2-71	3- 2-71	2-25-72	24	3,107
Corinne Grace	Go Po Go	1	G-25-22S-26E	8- 3-72	8- 3-72	10-30-72	9	1,362
Corinne Grace	Go Po Go	2	G-24-22S-26E	9-23-72	9-23-72	10-30-72	7	811
Corinne Grace	Gradonoco	1	H- 2-23S-26E	9- 1-71	12- 1-71	2- 4-72	24	6,281
Corinne Grace	Humble Grace	1	P- 2-23S-26E	6-20-71	7-28-71	2- 5-72	24	10,397
J. M. Huber Corp.	O'Neill Federal Com	1	G-23-23S-26E	3-14-73	3-14-73	5-18-73	4	662
J. M. Huber Corp.	Sorenson Com	1	G-14-23S-26E	3-13-73	3-13-73	5-18-73	4	1,071
J. M. Huber Corp.	Terra State	1	O-14-23S-26E	2-21-73	2-21-73	5-18-73	4	737
J. M. Huber Corp.	Yates King	1	K-22-23S-26E	5- 3-73	5- 3-73	8-10-73	4	312
Pennzoil Co.	Echols Com	1	J-12-23S-26E	2-20-71	2-24-71	5- 1-71	NR	
Pennzoil Co.	Gulf Federal Com	1	K- 1-23S-26E	6-24-70	6-30-70	7- 6-70		CAOF 12,721
Pennzoil Co.	Mobil 12 Federal	1	B-12-23S-26E	11-22-68	1-20-69	9-10-69	24	3,310

PRORATED WELLS - SOUTH CARLSBAD-MORROW GAS POOL

<u>PRODUCER</u>	<u>LEASE</u>	<u>WELL NO.</u>	<u>LOCATION</u>	<u>DATE COMPLETED</u>	<u>DATE TESTED</u>	<u>DATE CONNECTED</u>	<u>TEST HOURS</u>	<u>MCF GAS</u>
PURCHASER: TRANSWESTERN AND LLANO								
Citties Service Oil Co	Merland A Com	1	0-19-22S-27E	10- 4-71	10- 1-71	11-17-71	Test not reliable	
Citties Service Oil Co.	Merland B Com	1	G-30-22S-27E	7-24-71	7-24-71	11-10-71	4	4,400
Citties Service Oil Co	Spencer A	1	0-30-22S-27E	6-25-71	7-31-71	9-24-71	24	139
Pennzoil Co.	Gulf Federal Com	2	L- 6-23S-27E	2- 8-72	2- 7-72	4- 7-72	4	248

PRORATED WELLS - SOUTH CARLSBAD-NORROW GAS POOL

<u>PRODUCER</u>	<u>LEASE</u>	<u>WELL NO.</u>	<u>LOCATION</u>	<u>DATE COMPLETED</u>	<u>DATE TESTED</u>	<u>DATE CONNECTED</u>	<u>TEST HOURS</u>	<u>MCF GAS</u>
PURCHASER: EL PASO NATURAL GAS COMPANY								
Corinne Grace	Grace Carlsbad	1	I-36-22S-26E	5- 4-72	7- 7-72	4-16-73	4	8,527
Michael P. Grace	Grace Atlantic Com	1	J-24-22S-26E	3-15-73	3-29-73	4-16-73	4	CAOF 65,737
Midwest Oil Corp.	N.M. W State	1	G- 3-23S-26E	11- 9-72	11- 9-72	7- 2-73	9.5	370
Phillips Petr. Co.	Drag A	1	C-18-23S-27E	5-21-72	5-25-72	11-29-72	NR	Cal. 4,968
Phillips Petr. Co.	Drag B	1	K-18-23S-27E	8- 2-72	8- 7-72	11-29-72		Cal. 18,176
Phillips Petr. Co.	Tidwell A Com	1	E- 8-23S-27E	1-24-73	1-31-73	4-11-73	4	Cal. 6,738
PURCHASER: EL PASO NATURAL GAS AND LLANO								
Phillips Petr. Co.	Drag B	2	C-19-23S-27E	3-15-73	5-31-73	5-31-73	4	Cal. 6,742
PURCHASER: LLANO INCORPORATED								
Morris R. Antweil	Allen	1	J-31-22S-27E	10- 3-70	10- 3-70	9-30-71	1	3,125
Morris R. Antweil	Little Jewel Com	1	F-31-22S-27E	4-20-71	4-20-71	9-30-71	1	6,139
The Superior Oil Co.	Ryan	1	D- 5-23S-27E	12-30-72	1- 8-73	2-13-73	2	76
The Superior Oil Co.	Stephens A	1	N- 7-23S-27E	5-22-73	5-23-73	7-25-73	4	916
PURCHASER: TRANSWESTERN PIPELINE CO.								
Brunson & McKnight	Howard Hemler Com	1	L-29-22S-27E	3- 6-73	3- 6-73	5-14-73	4	3,502
Cities Service Oil Co	Merland C Com	1	F-19-22S-27E	5-12-73	8-15-73	8-15-73	2	NR
Cities Service Oil Co	Strackbein A	1	E-32-22S-27E	12-17-70	12-17-70	11- 9-71	4	AOF 4,900
Corinne Grace	City of Carlsbad Com	1	O-25-22S-26E	3- 2-71	3- 2-71	2-25-72	24	3,107
Corinne Grace	Go Po Go	1	G-25-22S-26E	8- 3-72	8- 3-72	10-30-72	9	1,362
Corinne Grace	Go Po Go	2	G-24-22S-26E	9-23-72	9-23-72	10-30-72	7	811
Corinne Grace	Gradonoco	1	H- 2-23S-26E	9- 1-71	12- 1-71	2- 4-72	24	6,281
Corinne Grace	Humble Grace	1	P- 2-23S-26E	6-20-71	7-28-71	2- 5-72	24	10,397
J. M. Huber Corp.	O'Neill Federal Com	1	G-23-23S-26E	3-14-73	3-14-73	5-18-73	4	662
J. M. Huber Corp.	Sorenson Com	1	G-14-23S-26E	3-13-73	3-13-73	5-18-73	4	1,071
J. M. Huber Corp.	Terra State	1	O-14-23S-26E	2-21-73	2-21-73	5-18-73	4	737
J. M. Huber Corp.	Yates King	1	K-22-23S-26E	5- 3-73	5- 3-73	8-10-73	4	312
Pennzoil Co.	Echols Com	1	J-12-23S-26E	2-20-71	2-24-71	5- 1-71	NR	
Pennzoil Co.	Gulf Federal Com	1	K- 1-23S-26E	6-24-70	6-30-70	7- 6-70		CAOF 12,721
Pennzoil Co.	Mobil 12 Federal	1	B-12-23S-26E	11-22-68	1-20-69	9-10-69	24	Cal. 3,310

<u>PRODUCER</u>	<u>LEASE</u>	<u>WELL NO.</u>	<u>LOCATION</u>	<u>DATE COMPLETED</u>	<u>DATE TESTED</u>	<u>DATE CONNECTED</u>	<u>TEST HOURS</u>	<u>MCF GAS</u>
PURCHASER: TRANSWESTERN AND LLANO								
Cities Service Oil Co	Merland A Com	1	0-19-22S-27E	10- 4-71	10- 1-71	11-17-71	Test not reliable	
Cities Service Oil Co.	Merland B Com	1	G-30-22S-27E	7-24-71	7-24-71	11-10-71		4,400
Cities Service Oil Co	Spencer A	1	0-30-22S-27E	6-25-71	7-31-71	9-24-71		139
Pennzoil Co.	Gulf Federal Com	2	L- 6-23S-27E	2- 8-72	2- 7-72	4- 7-72	4	248