

Entered July 5, 1977  
JHR

BEFORE THE OIL CONSERVATION COMMISSION  
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED  
BY THE OIL CONSERVATION COMMISSION OF  
NEW MEXICO ON ITS OWN MOTION TO PERMIT  
CORINNE GRACE AND ALL OTHER INTERESTED  
PARTIES TO APPEAR AND SHOW CAUSE WHY  
CERTAIN WELLS IN EDDY COUNTY, NEW MEXICO,  
SHOULD NOT BE SHUT-IN.

CASE NO. 5960  
Order No. R-5488

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 a.m. on June 21, 1977, at Santa Fe, New Mexico, before the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission."

NOW, on this 5th day of July, 1977, the Commission, a quorum being present, having considered the testimony presented and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Corinne Grace is the owner and operator of the Humble Grace Com Well No. 1 located in Unit P of Section 2 and the Panagra Com Well No. 1 located in Unit B of Section 11, both in Township 23 South, Range 26 East, Eddy County, New Mexico.
- (3) The continuing field inspections by Commission field personnel have revealed the following conditions at said wells:

(A) Humble Grace Com Well No. 1

Salt water has leaked or escaped from the tanks at the location, and such waters have occasionally run off the location. Fences around the tank battery and the wellhead are in disrepair. The cellar is open, full of water, and constitutes a hazard. There is a gas and water leak at the wellhead.

(B) Panagra Com Well No. 1

Salt water has leaked or escaped from the tanks at the location, and such waters have occasionally run off the location. Fences around the tank battery are in disrepair. Drilling pits have not been filled and leveled and may have been utilized by persons unknown for disposition of water. That there is junk on the location that could be a danger to persons or livestock.

(4) That the conditions set out in Finding No. (3) above constitute operations which result in and may continue to result in injury to neighboring leases or properties and/or endangerment of fresh water supplies.

(5) That the operator has not corrected those conditions set out in Finding No. (3) above.

(6) That to prevent continued injury to neighboring leases or properties and/or endangerment of fresh water supplies, the operator should correct each of the conditions set out in Finding No. (3) above within 30 days, or shut-in said Humble Grace Com Well No. 1 and Panagra Com Well No. 1.

IT IS THEREFORE ORDERED:

(1) That, within 30 days after the effective date of this order, the operator, Corinne Grace, is hereby ordered to perform the following corrective action on her Humble Grace Com Well No. 1 located in Unit P of Section 2 and her Panagra Com Well No. 1, located in Unit B of Section 11, both in Township 23 South, Range 26 East, Eddy County, New Mexico:

- (A) The operator shall repair or replace any leaking tanks and shall provide for adequate salt water storage at the locations;
- (B) The operator shall repair any leaking wellhead equipment;
- (C) The operator shall construct or repair fences around the tank batteries, wellheads, or facilities which constitute hazards to people or livestock; and
- (D) The operator shall cause the drilling pits to be filled and leveled and junk to be removed from the location or buried.

-3-

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(2) That upon completion of all corrective action set out in Order (1) above, the operator shall notify the supervisor of the Artesia district office of the Commission in order that the Commission may inspect said well sites.

(3) That if said corrective actions are not completed within the 30 days provided above, said Commission district supervisor shall order said well(s) shut-in and shall notify the appropriate gas transporter(s) of such shut-in order.

(4) That any well ordered shut in under the provisions of this order shall remain shut-in until all corrective actions have been completed and such well shall be released for production by the Secretary-Director of the Commission.

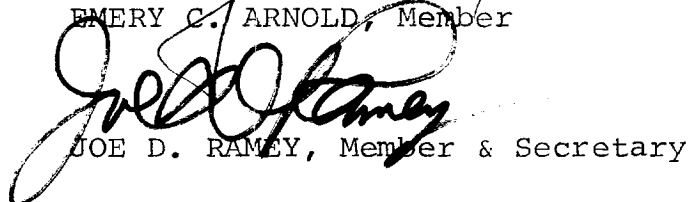
(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

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

STATE OF NEW MEXICO  
OIL CONSERVATION COMMISSION

PHIL R. LUCERO, Chairman

  
EMERY C. ARNOLD, Member

  
JOE D. RAMEY, Member & Secretary

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