

MARTIN YATES, III  
1912 - 1985  
FRANK W. YATES  
1936 - 1986



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01-31-06

Mike Bratcher  
NM Oil Conservation Division  
District 2  
1301 W. Grand  
Artesia NM 88210

RECEIVED

FEB 01 2006  
OCD-ARTESIA

**RE: Grynberg LZ State #1, I-36-5S-24E API #30-005-60602**

Mike:

The incident reported to you by the BLM was caused by a fluid freeze in a 4" transfer line running from the Grynberg #1, to the Grynberg #7.

The line was opened by Agave personnel on 11-29-05, and left open to aid the thawing of the ice block, the Agave people did not know that there was an 80# gas head at the other end. The ice thawed and blew a mist of less than 1 bbl of water and covered an area 120'X75', and also brought rust and dirt that had accumulated inside the pipe.

The area was dragged, and then sprayed with 200 gals water mixed with Micro-Blaze to eliminate the color of the stain. There was no indication of hydrocarbons mixed with the water, these wells have not made fluid in many years, and the only fluid in the line was from the gas because of temperature change.

Agave personnel have stated that there was no ground penetration by the fluid, and will continue to monitor the area.

If I may be of further assistance please call 748-4181, or Jennifer Knowlton with Agave at 748-1471.

Dan Dolan  
Environmental Regulatory Agent