

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

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OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

June 27, 1977

C
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Y
Michael P. Grace II
Box 1418
Carlsbad, New Mexico 88220

Attention: Ms. Juanita L. Jones

Gentlemen:

On April 17, 1973, Administrative Order TX-39 was issued permitting the use of 4½-inch tubing in your 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. This Order in part states, "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."

Since the well now makes sufficient water that it must be unloaded by flaring periodically (your letter of June 1, 1977), and since the flaring of gas constitutes waste, Administrative Order TX-39 is hereby rescinded.

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Letter to Michael P. Grace II
June 27, 1977

You are hereby directed to install tubing, maximum size to be no greater than 2 7/8-inch, in this well by August 1, 1977. Tubing perforations are to be set within 250 feet of the top of the pay.

Please contact the Oil Conservation Commission's district office at Artesia at least 24 hours before commencing work on the well.

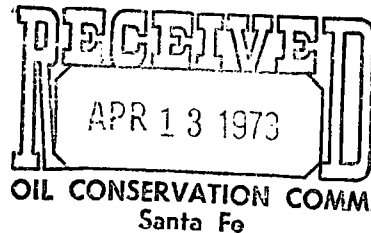
Yours very truly,

JOE D. RAMEY
Director

JDR/fd

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

April 11, 1973



Mr. D. S. Nutter
Chief Engineer
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

RE: Grace Atlantic #1
Michael P. Grace II
S $\frac{1}{2}$ Section 24, T22S, R26E
Eddy County, New Mexico

Dear Dan:

Enclosed you will find the 4 point test on the above well.
This well is the one that we ran the 4 $\frac{1}{2}$ " tubing in and which
Mrs. Grace spoke to you about several weeks ago.

I have filed the well completion report, etc. with Mr. Gressett
in Artesia and I beleive that the only thing that we lack to complete
this is the o.k. on the tubing. Will this come from your office or
from Mr. Gressett in Artesia?

If there is anything else that you need to expedite this matter
please call me collect in Carlsbad as we expect to have a connection
date on this in the near future.

Thank you.

Sincerely yours,


Juanita L. Jones

jlj
encl.
cc: Mr. Bill Gressett