OIL CURBINVATION COMMISSION 9. 0. Box 1000 SANTA FE, NEW MEXICO 87501

REBEIVED

JUN 2 9 1977

Julie 27, 1977

C. C. C. ARTESIA, CEPIDE

naladi 2. Gradi IX 1. a 1940 Giziopia, New New 20220

ى يەرىپىلەن 10 - 10 - 1000 - بىرىنىڭ - 1000 - يەرەپىڭ بىرىپىڭ -ئەشەپلەن بەرەپىد سەمەشلىلىنىغەت - بەرەپىد - بەرەپىلىلىنى بىرىپ

ي الموجد من الأخرار . يو مايتجار: محار البوانو الله المالي

In the 17, 1973, Manual tradium Order TX-39 was doomed portaineding the wes of Agenuch tebing in your three following Well Ws. 1, located in Whit J of Section 24, Comments 22 South, Dange 25 East, South darheled-Hornow ges wool, Bddy Commby, New Memice. 2000 Coder in part stabes, 'Manuals as the gas proineed from this well is very day (gas-liquid ratio well can be produced in the moust of proposed without the following the sector fore and a proposed without the following the sector fore granted the requested unception. The Comments fore westers that this could be produced in the moust of proposed without the following the sector fore yessare the right, howcould be produced on the sector of the well appears that the production doce wessare the right, howcould be produced on the sector of production is causing by may embe wells."

Cherry when while were a cherry build have where there it must be the sublety charactery provides and by Grown levers of June by her by, and start who thereing of gas constitutes waste, assumed to the second the by is hereinded. OIL CONSERVATION COMMISSION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501

RECEIVED

JUN 29 1977

June 27, 1977

O. C. C. ARTEBIA, OFFICE

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.