

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

RECEIVED

JUL 19 1972

July 17, 1972

O. C. C.
ARTESIA, OFFICE

Mr. Elvis Utz
Gas Engineer
New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

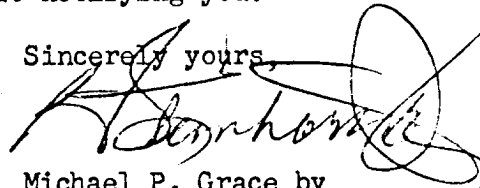
RE: Humble Grace # 1,
South Carlsbad Field
Eddy County, New Mexico
Sec. 2, T23S, R26E

Dear Mr. Utz:

Pursuant to our phone conversation today, Humble Grace No. 1 has declined from a rate of 1,750 MCFPD as of Friday, July 14, 1972 to not bucking line pressure 620-650 psi. As discussed, we will shut the well in and then flare it for a period not to exceed 24 hours in an effort to unload the well and restore production.

Our best estimate is that the flare rate will not exceed 2,000 MCFPD. We may wish to flare and shut in at intervals but will not exceed 24 hours flaring without notifying you.

Sincerely yours,



Michael P. Grace by
R. Steinhorst, Jr. Engineer

RSJ:jj

cc: Bill Gressett
Oil Conservation Commission
Artesia, New Mexico