

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

Grace Petroleum Corporation

3. ADDRESS OF OPERATOR

1515 Arapahoe St., 3 Park Central, Ste. 200, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements*)

At surface

E 2245' FNL, 790' FWL

At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

50 miles SE of Bloomfield, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED, 2600' from

OR APPLIED FOR, ON THIS LEASE, FT. completion well

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

7127' Ungraded Ground

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24#	300'	Cement to Surface
7-7/8"	4-1/2"	10.5#	TD	300 sx, Class "G"

It is proposed to drill and test the Gallup Formation. Total depth will be approximately 5541'.

A 4 1/2" production string will be run and cemented, or the well plugged and abandoned, as per regulations, whichever test indicates.

See attached for pertinent data.

~~This APD was perviously approved 7/25/78.~~



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

Southern District
Operations Manager

SIGNED

TITLE

DATE

4-16-80

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

OK CG
DRILLING OPERATIONS AUTHORIZED ARE
SUBJECT TO COMPLIANCE WITH ATTACHED
"GENERAL REQUIREMENTS"

NMOCC

*See Instructions On Reverse Side

APPROVED
AS AMENDEDMAY 20 1980
JAMES F. SIMS
DISTRICT ENGINEER

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

Form C-102
Revised 10-1-78

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

All distances must be from the outer boundaries of the Section

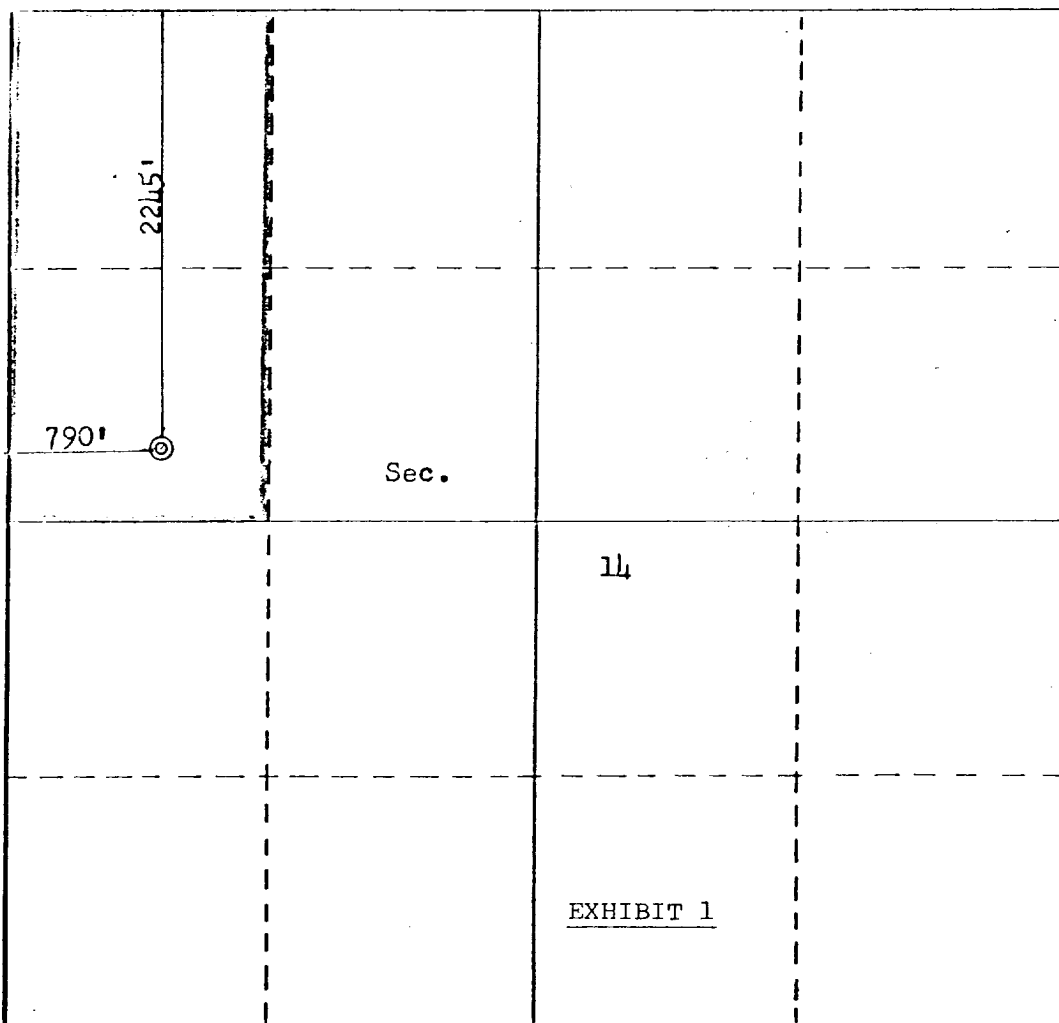
Operator GRACE PETROLEUM CORPORATION			Lease NANCY "B"		Well No. 2
Unit Letter E	Section 14	Township 23N	Range 7W	County Rio Arriba	
Actual Footage Location of Well:					
2245		feet from the North	line and 790	feet from the West	line
Ground Level Elev. 7127	Producing Formation Gallup		Pool Lybrook	Dedicated Acreage: 80 40 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). **Single lease**
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc? **N/A**

☐ Yes ☐ No If answer is "yes," type of consolidation _____

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) **N/a**

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.

EXHIBIT 1

CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Name
Scotty A. Smith
Position **Southern District
Operations Manager**

Company
Grace Petroleum Corporation

Date
March 26, 1980

I hereby certify that the well location shown on this plat was plotted from field notes of an actual survey made by me or under my supervision and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
March 5, 1980
Registered Professional Engineer
and/or Land Surveyor
Fred B. Kerr, Jr.
Certificate No.
3950

COMP. 8-10-67

TD 5510
COMP. 11-17-61

1-*State*

19322 BBLs
85981 MCF
TD 5536
COMP. 11-29-61

BCO
2-*Dunn*

3499 BBLs
28913 MCF
TD 6743
COMP. 11-6-76

1 MILE RADIUS

Campos 1-10

69252 BBLs
361306 MCF
TD 5905
COMP. 3-29-61

GPC
Vandenburg 1-11

BUDD
1-*Dunn*

TD 5896
COMP. 3-11-57

BCO
1-15 *Betty B*

16450 BBLs
36391 MCF
TD 5900
COMP. 9-2-61

110251 BBLs
452598 MCF
TD 5775
COMP. 1-9-60

GPC
1-14 *Nancy B*

14754 BBLs
12261 MCF
TD 5700
COMP. 1-5-62

RHODES

Nancy "B" #2
Proposed Location

BCO
1

BCO
22-B

5576 BBLs
43727 MCF
TD 5656
COMP. 12-4-70

10038 BBLs
32350 MCF
TD 5690
COMP. 11-3-69

PET C
1-C *Rogers*

12891 BBLs
22081 MCF

EXHIBIT 4