

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

30-039-22477
5. LEASE DESIGNATION AND SERIAL NO.

SF 078924-078360

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Grace Federal 13

9. WELL NO.

#1

10. FIELD AND POOL, OR WILDCAT

Lybrook

11. SEC., T., R., M. OR BLK.
AND SURVEY OR AREA

Sec. 13-T23N-R7W

12. COUNTY OR PARISH

Rio Arriba

13. STATE

New Mexico

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

3 Park Central, #200, 1515 Arapahoe, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface☒ At proposed prod. zone

1740' FSL, 790' FWL

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 drlg. unit line, if any)

1740' FSL, 790' FWL

16. NO. OF ACRES IN LEASE

2565

17. NO. OF ACRES ASSIGNED
TO THIS WELL

80 40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH

5500'

20. ROTARY OR CABLE TOOLS

Rotary

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

6924' ungraded ground

22. APPROX. DATE WORK WILL START*

Sept., 1980

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2"	8-5/8"	24#	300'	Cmt to surface
7-7/8"	4-1/2"	10.5#	TD	300 sx Class "G" DV Tool @ 3800', Cmt to surface

It is proposed to drill and test the Gallup formation at the above location.
Total depth will be approximately 5500'.

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.

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. SIGNED Sally G. Smith Southern District Operations Manager DATE May 12, 1980

(This space for Federal or State office use)

AS AMENDED

PERMIT NO.

APPROVAL DATE

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

AUG 14 1980
FARMINGTON, N. M.
DISTRICT ENGINEER

RECEIVED
MAY 14 1980

DRILLING OPERATIONS AUTHORIZED ARE
LIMITED TO THE SCOPE OF THE ATTACHED
"PERMIT TO DRILL, DEEPEN, OR PLUG BACK"

*See Instructions On Reverse Side

NM000

OIL CONSERVATION DIVISION

STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENTP. O. BOX 2088
SANTA FE, NEW MEXICO 87501Form C-107
Revised 10-1-78

All distances must be from the outer boundaries of the Section.

Operator GRACE PETROLEUM CORPORATION			Lease GRACE-FEDERAL 13		Well No. 1
Unit Letter L	Section 13	Township 23N	Range 7W	County Rio Arriba	
Actual Footage Location of Well: 1740 feet from the South line and 790 feet from the West line					
Ground Level Elev. 7010	Producing Formation Gallup		Pool Lybrook	Dedicated Acreage: 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?

☐ Yes ☐ No If answer is "yes," type of consolidation N/A

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.

	CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <i>Scotty A. Smith</i> Name Operations Manager Position Grace Petroleum Corporation Company May 9, 1980 Date	
	I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys 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 April 23, 1980 Registered Professional Engineer and/or Land Surveyor <i>Fred B. Kerr Jr.</i> Fred B. Kerr Jr. Certificate No. 3950	

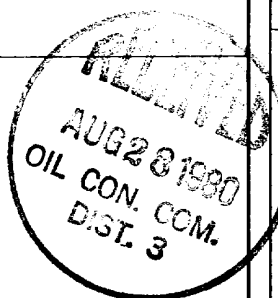


Exhibit #1

