



April 25, 1979

**Grace Petroleum Corporation**  
Subsidiary of W. R. Grace & Co.

Midland District Office  
925 Western United Life Building  
Midland, Texas 79701

Phone (915) 683-4793

Mailing Address:

P. O. Drawer 2358

Midland, Texas 79702

Mr. Arthur R. Brown  
United States Department of Interior  
Geological Survey  
P. O. Box 1157  
Hobbs, New Mexico 88240

Re: Grace Petroleum Corporation  
Well #2 Felmont Federal  
Surface Location 760 FEL & 660' FSL  
Section 25, T-20S, R-32E, NMPM  
Lea County, New Mexico

RECEIVED

MAY 17 1979

U. S. GEOLOGICAL SURVEY  
HOBBS, NEW MEXICO

Dear Mr. Brown:

Grace Petroleum Corporation as applicant, guarantees right of access to the SE/4 of Section 25, T-20S, R-32E, NMPM for authorized representatives of the Department of Interior, in order that such representatives can carry out their lawful functions and responsibilities with respect to the drilling and operation of the subject well. If such access is ever prevented or interfered with, applicant agrees to shut down its drilling or producing operations and take whatever steps are necessary to abate the interference including court action if necessary. Applicant agrees to pay for any damages suffered by the United States as the result of any such interference.

Grace Petroleum Corporation as applicant, agrees to indemnify and save the United States Department of Interior harmless from any and all claims from any person or parties arising as a result of applicant's drilling and/or producing the subject well.

Yours very truly,

Jack D. Hill

Assistant Vice President and

Mid Continent Region Operations Manager

JDH:mlb

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JUN 15 1979

OIL CONSERVATION COMM.  
HOBBS, N. M.

*George R. ...*