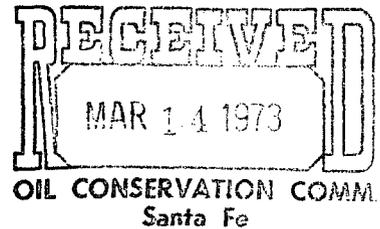


Michael P. Grace II
Corinne Grace
P. O. BOX 1418
CARLSBAD, NEW MEXICO 88220

March 14, 1973



NSL - 599

3/15/73

Mr. D. S. Nutter, Chief Engineer
New Mexico Oil Conservation Commission
P. O. Box 1148
Santa Fe, New Mexico

RE: Application to drill a Morrow
Test Well located on an Unorthodox
location Section 36, T22S, R26E,
Eddy County, New Mexico

Dear Mr. Nutter:

We respectively request permission to drill this well which will be located 1980 feet from the South line and 2164 feet from the West line in Section 36, T22S, R26E. Enclosed you will find an original and 4 copies of the waivers from the surrounding operators giving us their permission to drill in this unorthodox location.

Also enclosed you will find a plat drawn by one of our engineers showing this location and also showing the approach pattern for the planes. We will have to have permission from the FAA to drill in this location and any consideration that you can give us in expediting the ground permission to drill we would appreciate it so that this same program can be submitted to them for approval.

Sincerely yours,

MICHAEL P. & CORINNE GRACE

A handwritten signature in cursive script that reads "Juanita L. Jones".

Juanita L. Jones
Secretary

jlj
encl.

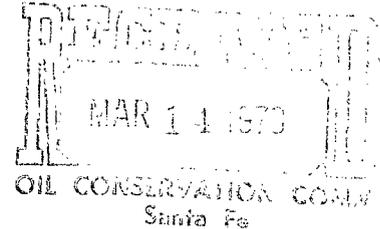
Gulf Oil Company - U.S.

EXPLORATION AND PRODUCTION DEPARTMENT
MIDLAND DISTRICT

W. B. Hopkins
DISTRICT MANAGER
J. A. Hord
DISTRICT EXPLORATION
MANAGER
J. L. Pike
DISTRICT PRODUCTION
MANAGER
M. B. Moseley
DISTRICT SERVICES MANAGER

P. O. Drawer 1150
Midland, Texas 79701

March 12, 1973



Oil Conservation Commission
State of New Mexico
P. O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. A. L. Porter, Jr.

Re: Request for Unorthodox Location for
Michael P. Grace II Airport Grace
Well No. 1, South Carlsbad Pool
Eddy County, New Mexico

Gentlemen:

This is to advise that Gulf Oil Corporation has been given due notice that Michael P. Grace II is requesting permission for an unorthodox location for his Airport Grace Well No. 1 in the above mentioned field. We have no objection to the granting of this application for the above well which is located:

1980 feet from the South Line and
2164 feet from the West Line of
Section 36, T-22S, R-26E, Eddy
County, New Mexico.

Executed this 12th day of March, 1973.

Yours very truly,

GULF OIL CORPORATION

BY W. C. Palmer
W. C. PALMER
District Engineer

FWT:jmc



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SANTA FE FILE	
U.S.G.S.	
LAND OFFICE	
OPERATOR	

NEW MEXICO OIL CONSERVATION COMMISSION

Form C-101
Revised 1-1-65

5A. Indicate Type of Lease
STATE FEE

5. State Oil & Gas Lease No.
K-6290

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
b. Type of Well DRILL DEEPEN PLUG BACK
OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
Michael P. Grace II

3. Address of Operator
P. O. Box 1418 Carlsbad, New Mexico

4. Location of Well UNIT LETTER K LOCATED 1980 FEET FROM THE South LINE
AND 2164 FEET FROM THE West LINE OF SEC. 36 TWP. 22S RGE. 26E NMPM

7. Unit Agreement Name

8. Farm or Lease Name
Airport Grace

9. Well No.
1

10. Field and Pool, or Wildcat
Unides. South Carlsbad

12. County
Eddy

19. Proposed Depth
12,100

19A. Formation
Morrow

20. Rotary or C.T.
Rotary

21. Elevations (Show whether DF, RT, etc.)
3221'

21A. Kind & Status Plug. Bond
Blanket

21B. Drilling Contractor
Big West Drilling Co.

22. Approx. Date Work will start
March 26, 1973

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2	13 3/8	40 #	350	350	circled
12 1/4	9 5/8	36 #	5100	1400	circled
8 3/4	7	23 #	11200	325	9150
Liner	4 1/2	13.5 #	12100	100	11200

Blow out preventor: Triple run, remote control.

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. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

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

Signed Hertha L. Jones Title Agent Date 3/9/73

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

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

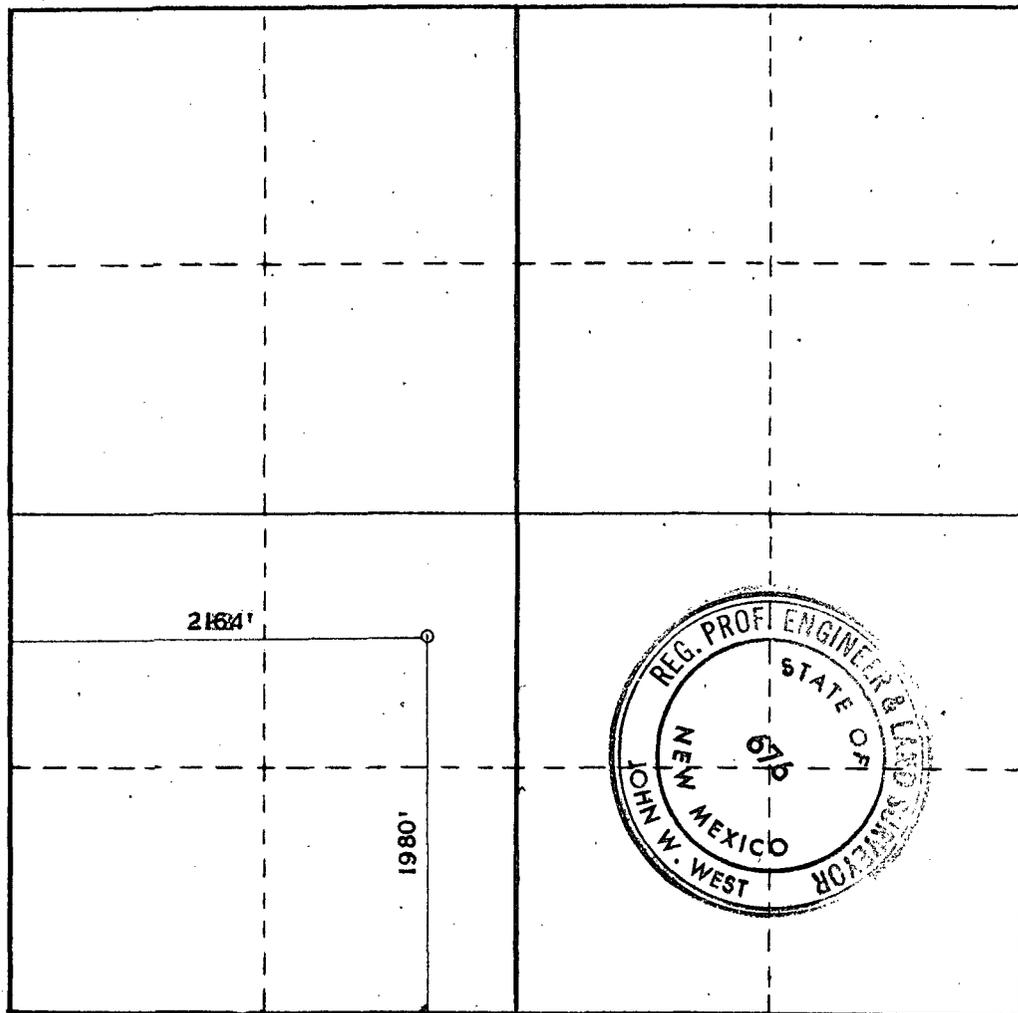
Operator MICHAEL P. GRACE II		Lease AIRPORT GRACE			Well No. 1
Unit Letter K	Section 36	Township 22 SOUTH	Range 26 EAST	County EDDY	
Actual Footage Location of Well: 1980 feet from the SOUTH line and 2164 feet from the WEST line					
Ground Level Elev. 3221'	Producing Formation MORROW	Pool SOUTH CARLSBAD		Dedicated Acreage: 320 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).
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 _____

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

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.

Name

Position

Secretary

Company

Michael P. Grace II

Date

March 9, 1973

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

1-6-73

Registered Professional Engineer and/or Land Surveyor

Certificate No.

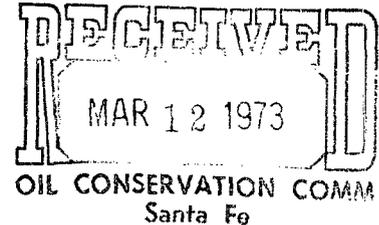
676



MIDWEST OIL CORPORATION

1500 WILCO BUILDING
MIDLAND, TEXAS 79701

March 9, 1973



New Mexico Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

RE: M. P. Grace Application
for Exceptional Location
South Carlsbad Field Area
Section 36, T-22-S, R-26-E
Eddy County, New Mexico

Gentlemen:

M. P. Grace has advised Midwest Oil Corporation they are applying for an exception to field rules for their proposed location 1980' FSL and 2164' FWL of Section 36, T-22-S, R-26-E. As an offset operator, Midwest does not object to this exception to field rules. However the requested exceptional location will be in the approach zone for the NE-SW runway of the Carlsbad Municipal Airport. Midwest would have no objection if instead the location were moved north and out of the highway and approach zone to a location approximately 1980' FWL and 2500' FSL of Section 36.

Very truly yours,

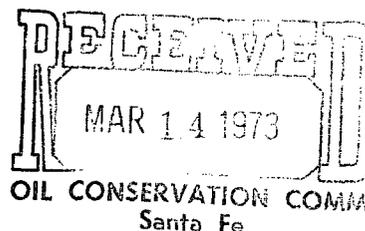
MIDWEST OIL CORPORATION

A handwritten signature in dark ink, appearing to read "F. L. Schatz". The signature is written in a cursive style with a long horizontal stroke at the end.

F. L. Schatz
District Exploration Manager

FLS:nra

W A I V E R



Michael P. Grace II and
Corinne Grace
P. O. Box 1418
Carlsbad, New Mexico 88220

Dear Mr. and Mrs. Grace:

We have no objection to your drilling a Morrow test well in the West 1/2 of Section 36, T22S, R26E, which will be located on an unorthodox location being 1980 feet from the South line and 2164 feet from the West line of this Section.

Sincerely yours,

PENNZOIL COMPANY

A handwritten signature in cursive script, appearing to read "F. Clinton Edwards".

Title: Vice President

STATE OF TEXAS

County of Midland

The foregoing instrument was acknowledged before me this 14th
day of March 1973 by F. Clinton Edwards,
Vice President of PENNZOIL COMPANY.

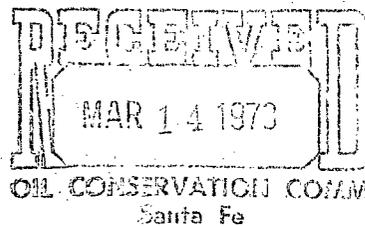
My Commission Expires:
June 1, 1973

A handwritten signature in cursive script, appearing to read "Lonelle McBride".

Notary Public

W A I V E R

Michael P. Grace II and
Corinne Grace
P. O. Box 1418
Carlsbad, New Mexico 88220



Dear Mr. and Mrs. Grace:

We have no objection to your drilling a Morrow test well in the West 1/2 of Section 36, T22S, R26E, which will be located on an unorthodox location being 1980 feet from the South line and 2164 feet from the West line of this Section.

Sincerely yours,

THE SUPERIOR OIL COMPANY

D. H. Collins, Jr. 3-12-73

Title: District Engineer

STATE OF Texas

County of Midland

The foregoing instrument was acknowledged before me this 12th
day of March 1973 by D. H. Collins, Jr.
_____ of THE SUPERIOR OIL COMPANY.

My Commission Expires:
June 1, 1973

Jo F. Fouts
Notary Public

JO F. FOUTS
My Commission Expires June 1, 1973