

April 26, 1974

United States Geological Survey
P. O. Boxer "U"
Artesia, New Mexico 88210

Re: Michael P. Grace
Cabin Baby Federal No. 1
1930' FNL & 1930' FEL
Sec. 5, T-23-S, R-31-E
Eddy County, New Mexico

Gentlemen:

1. Existing Roads - Nearest existing road is the ranch road continuing southwest from the Grace #1 Cotton Baby Federal (34-22-31). Entry from highway 128 is shown on the enclosed map. The ranch road passes within approximately $\frac{1}{4}$ mile of the proposed location and will need some repairs and improvement.
2. Planned access roads - It is planned to build a road into the location, a distance of about $\frac{1}{4}$ mile. This will be a caliche road.
3. Location of wells - This will be the first well on the lease and it is $1\frac{1}{2}$ miles east of the Belco #4 James Ranch Unit.
4. Lateral roads to Well Locations - There are no other well locations on the lease. Other roads are shown on the plat.
5. Location of Tank Batteries and Flowlines - In case of production, any necessary producing facility would be placed on the drilling pad.
6. Location and types of Water Supply - There is no ground water available in the area and water will have to be purchased and hauled to the location.
7. Methods for handling Waste Disposal - An 8' x 4' x 4' waste pit will be built in which to dispose of all waste.
8. Proposed disposition of Produced Brine Water - Any produced brine water would be disposed of by hauling to a commercial water disposal well.
9. Disposition of Casinghead Gas - There is a ready market in the area and any low pressure casinghead gas would be sold.
10. Location Layout - See attached diagram.
11. Plans for restoration of Surface - Upon abandonment of the well, all pits and cellars will be filled and levelled. The location will be levelled as nearly as possible to original ground contour and all junk and trash disposed of.

RECEIVED

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