



United States Department of the Interior

GEOLOGICAL SURVEY

South Central Region

P. O. Box 26124

Albuquerque, New Mexico 87125

Grace Petroleum Corporation
P. O. Drawer 2358
Midland, Texas 79702

Gentlemen:

Your Application for Permit to Drill Well No. 1 Smith Ranch Unit in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 11, T. 20 S., R. 33 E., Lea County, New Mexico, lease NM-17238, to a depth of 14,200 feet to test the Morrow formation in the Oil Potash area is hereby approved, as amended by stipulations attached to the application.

One copy of the application is returned herewith. Please notify the District Supervisor, Geological Survey, Hobbs, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

for Floyd L. Stelzer
Acting Deputy Conservation Manager,
Oil and Gas

Enclosure

cc:

NMOCD, Hobbs, (2) (w/2 copies Notice) 