

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 40406
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR Grace Petroleum Corporation Attention: Bill Baswell		7. UNIT AGREEMENT NAME
3. ADDRESS OF OPERATOR 6501 N. Broadway, Oklahoma City, OK 73116		8. FARM OR LEASE NAME East Smith Ranch Federal Com
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 990' FNL & 990' FWL At proposed prod. zone <i>unit D</i> same		9. WELL NO. 1
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 7 miles Northeast of Halfway, New Mexico		10. FIELD AND POOL, OR WILDCAT Teas Penn
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 12, T20S-R33E
16. NO. OF ACRES IN LEASE 320		12. COUNTY OR PARISH Lea
17. NO. OF ACRES ASSIGNED TO THIS WELL 320		13. STATE New Mexico
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Completion Rig
19. PROPOSED DEPTH PB Morrow @ 12,250'		22. APPROX. DATE WORK WILL START* October 22, 1990
21. ELEVATIONS (Show whether DF, RT, GR, etc.) KB 3613', GL 3593'		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2	13-3/8"	54.5	1395'	1300 SXS
12-1/4	8-5/8"	24, 28, 32	5003'	2210 SXS 2 stages
7-7/8	5-1/2"	17, 20	13,700'	1100 SXS

Application to plug back Morrow and recomple to Bone Springs

Proposed Bone Springs Recompletion:

1. POOH w/tbg. Set CIBP @ 12,250' w/20' cmt on top.
2. RIH w/pkr. Perf Bone Springs 9432-9452' 4 SPF
3. Stimulate if necessary.
4. Flow or equip well flow articial lift.
5. Turn to sales.

RECEIVED
SEP 17 2 10 PM '90
OCS
AREA

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 William P. Baswell TITLE Operations Engineer DATE 9/14/90
(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE PETROLEUM ENGINEER DATE 9-18 90
CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions On Reverse Side