



United States Department of the Interior

GEOLOGICAL SURVEY
South Central Region
P.O. Box 26124

Albuquerque, New Mexico 87125

JAN 08 1982

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

Gentlemen:

Your application for Permit to Drill well No. 1-East Smith Ranch Federal Com. in the NW $\frac{1}{4}$ NW $\frac{1}{4}$ sec. 12, T. 20 S., R. 33 E., Lea County, New Mexico, lease NM-40406, to a depth of 14,500 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, Roswell, New Mexico, in sufficient time for a representative to witness all cementing operations.

Sincerely yours,

CHARLES F. REITZ

FOR

Gene F. Daniel
Deputy Conservation Manager
Oil and Gas

Enclosure

cc:

NMOCD (2)

BLM - Carlsbad

CM, SCR

DCM - Mining (2)

Regional Files

Roswell District Files

Hobbs Sub-district

Suspense File

ARF

RCF

RAChapman:mvd:12/30/81