



GREENHILL PETROLEUM CORPORATION

16010 BARKER'S POINT LANE, SUITE 325
HOUSTON, TEXAS 77079
TELEPHONE (713) 870-0606
FAX. (713) 870-1831

Incorporated in Delaware, U.S.A.

January 2, 1990

Oil Conservation Division
State of New Mexico
Energy, Minerals and Natural Resources Department
P. O. Box 2088
Santa Fe, New Mexico 87504-2088

Re: Unorthodox Location and Drilling Permit
Proposed Well No. 84
Lovington Paddock Field
Lovington Paddock Unit
Lea County, New Mexico

Gentlemen:

Greenhill Petroleum Corporation respectfully requests the State of New Mexico Oil Conservation Division grant approval of the proposed unorthodox location and the attached permit to drill well No. 84 in the Lovington Paddock Field, Lovington Paddock Unit, located in Lea County, New Mexico.

The Lovington Paddock Unit is presently developed and being waterflooded utilizing a 40-acre well density. It is believed that infill development using a 20-acre well density will improve waterflood sweep efficiency and will increase secondary oil recovery. The proposed location for well No. 84 is located in the interior of the unit and is not competitive with offset wells outside the unit. Information gathered as a result of drilling this infill well will be utilized in evaluating additional infill development potential in the unit and ultimately may be used to evaluate the feasibility of tertiary recovery.

Greenhill Petroleum Corporation wishes to commence drilling operations on the two proposed wells as soon as possible and would appreciate a response to this request at your earliest convenience.

Sincerely,

GREENHILL PETROLEUM CORPORATION

Gene Linton
Production Coordinator

GL/tlc

Enclosures

OIL CONSERVATION DIVISION
RECEIVED
'90 JAN 11 AM 10 31

Submit to Appropriate
District Office
State Lease — 6 copies
Fee Lease — 5 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-101
Revised 1-1-89

OIL CONSERVATION DIVISION

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

B-7845

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:

DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐

b. Type of Well:

OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. Name of Operator

Greenhill Petroleum Corp.

7. Lease Name or Unit Agreement Name

Lovington Paddock Unit

3. Address of Operator

16010 Barker's Point Ln, #325, Houston, TX 77079

8. Well No.

84

9. Pool name or Wildcat

Lovington Paddock

4. Well Location

Unit Letter I : 1100 Feet From The East Line and 2285 Feet From The South Line

Section 36 Township 16S Range 36E NMPM Lea County

10. Proposed Depth

6500'

11. Formation

San Andres

12. Rotary or C.T.

Rotary

13. Elevations (Show whether DF, RT, GR, etc.)

3832' GL

14. Kind & Status Plug. Bond

Blanket

15. Drilling Contractor

T.B.D.

16. Approx. Date Work will start

2-1-90

17.

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"	48#	350'	450	surface
11"	8-5/8"	24 & 28#	3000'	1000	surface
7-7/8"	5-1/2"	15.5#	6500'	850	surface

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.

SIGNATURE Gene Linton TITLE Production Coordinator DATE 1/2/89

TYPE OR PRINT NAME Gene Linton (713) 870-0606 TELEPHONE NO.

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Submit to Appropriate
District Office
State Lease - 4 copies
Fee Lease - 3 copies

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-102
Revised 1-1-89

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

DISTRICT I

P.O. Box 1980, Hobbs, NM 88240

DISTRICT II

P.O. Drawer DD, Artesia, NM 88210

DISTRICT III

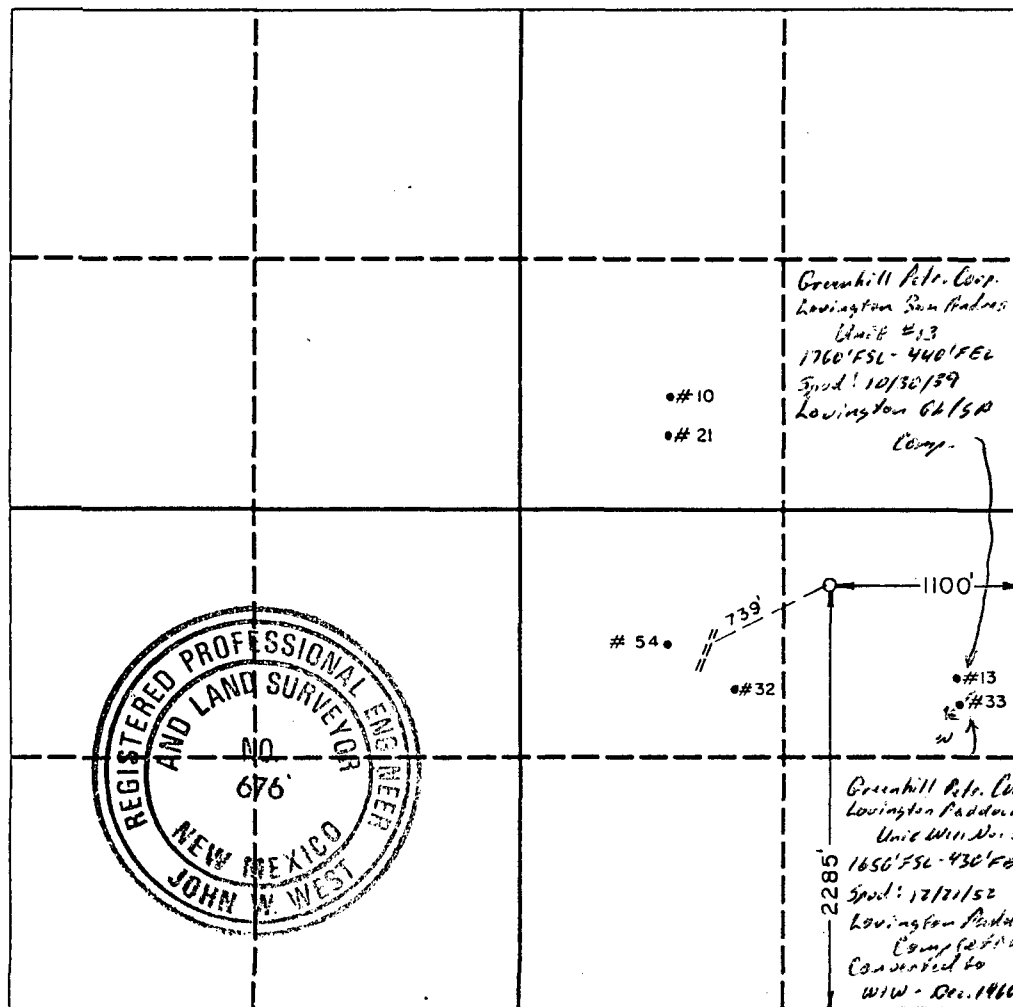
1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator Greenhill Petroleum Corp.			Lease Lovington Paddock Unit		Well No. 84
Unit Letter I	Section 36	Township 16 South	Range 36 East	County Lea	
Actual Footage Location of Well: 1100 feet from the East line and 2285 feet from the South line					
Ground level Elev. 3832.0	Producing Formation San Andres	Pool Lovington Paddock		Dedicated Acreage: 20 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest 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 interest, has been approved by the Division.



OPERATOR CERTIFICATION

I hereby certify that the information contained herein in true and complete to the best of my knowledge and belief.

Signature

Printed Name

Gene Linton

Position

Production Coordinator

Company

Greenhill Petroleum Corp.

Date

January 2, 1990

SURVEYOR CERTIFICATION

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.

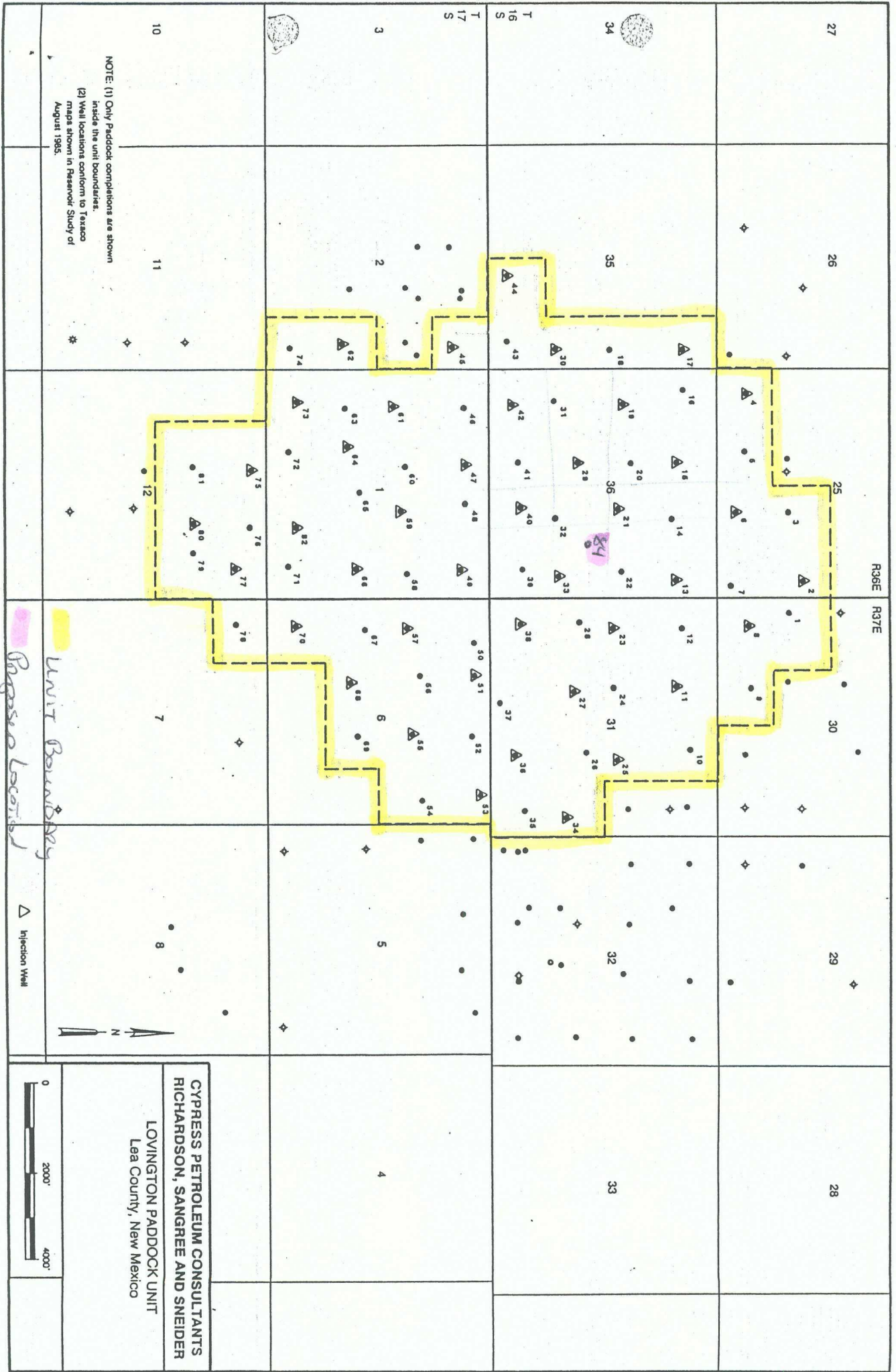
Date Surveyed

December 2, 1989

Signature & Seal of
Professional Surveyor

Certificate No. JOHN W. WEST, 676

RONALD J. EIDSON, 3239



NOTE: (1) Only Paddock completions are shown inside the unit boundaries.
 (2) Well locations conform to Texas maps shown in Reservoir Study of August 1965.

Unit Boundary

Paddock Location

Injection Well

N

0 2000' 4000'

CYPRESS PETROLEUM CONSULTANTS
 RICHARDSON, SANGREE AND SNEIDER
 LOVINGTON PADDOCK UNIT
 Lea County, New Mexico