

CASE 10549: **Application of Greenhill Petroleum Corporation for waterflood expansion, Lea County, New Mexico.** Applicant, in the above-styled cause, seeks authority to expand its Lovington-Paddock Unit Waterflood Project, authorized by Division Order No. R-3124, by converting its Lovington Paddock Unit Well No. 9 located 660 feet from the South line and 1980 feet from the West line (Unit N) of Section 30 and its Lovington Paddock Unit Well No. 10 located 660 feet from the North line and 2440 feet from the East line (Unit B) of Section 31, both in Township 16 South, Range 37 East, Lovington Paddock Unit, Lovington-Paddock Pool, from producing oil wells to water injection wells. Said wells are both located approximately 5.5 miles southeast of Lovington, New Mexico.

CASE 10550: **Application of R & G Drilling Company for an unorthodox coal gas well location, San Juan County, New Mexico.** Applicant, in the above-styled cause, seeks approval to recomplete its existing Schlosser Well No. 16 from the West Kutz-Pictured Cliffs Pool to the Basin-Fruitland Coal Gas Pool at an unorthodox coal gas well location 1180 feet from the South line and 800 feet from the East line (Unit P) of Section 10, Township 27 North, Range 11 West, the S/2 of said Section 10 is to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for the Basin-Fruitland Coal Gas Pool. Said unit is located approximately 8 miles south of Bloomfield, New Mexico.

CASE 10537: **(Readvertised)**

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 610 feet from the North line and 2110 feet from the East line (Unit B) of irregular Section 5, Township 27 North, Range 1 West, to test the West Puerto Chiquito-Mancos Oil Pool. All of said Section 5 is to be dedicated to said well forming a non-standard 655.48-acre oil spacing and proration unit. Said unit is located approximately 12.5 miles west of El Vado, New Mexico.

CASE 10538: **(Readvertised)**

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location and a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an exception to RULE 4 of the Special Rules and Regulations for the Gavilan-Mancos Oil Pool, as promulgated by Division Order No. R-7407, as amended, for a well to be drilled at an unorthodox oil well location no closer than 330 feet from the North line nor closer than 1400 feet from the East line (Unit B) of irregular Section 28, Township 27 North, Range 2 West, Undesignated Gavilan-Mancos Oil Pool, all of said Section 28 to be dedicated to said well forming a non-standard 430.56-acre oil spacing and proration unit for said pool. Said unit is located approximately 18 miles west by south of El Vado, New Mexico.

CASE 10540: **(Continued from September 3, 1992, Examiner Hearing.)**

Application of American Hunter Exploration, Ltd. for an unorthodox oil well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2480 feet from the South line and 915 feet from the West line (Unit J) of irregular Section 6, Township 27 North, Range 2 West, to test the Mancos formation. The NW/4 SE/4 of said Section 6 is to be dedicated to said well forming a standard 40-acre oil spacing and proration unit. Said unit is located approximately 19 miles west of El Vado, New Mexico.

CASE 10483: **(Continued from August 20, 1992, Examiner Hearing.)**

Application of Harvey E. Yates Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests underlying the SE/4 NW/4 (Unit F) in all formations developed on 40-acre spacing from the surface to the base of the Strawn formation in Section 33, Township 15 South, Range 36 East, said unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said area is located approximately one-half mile southeast of the junction of U.S. Highway 82 and New Mexico No. 18.

CASE 10541: **(Continued from September 3, 1992, Examiner Hearing.)**

The consolidated application of Bird Creek Resources, Fortson Oil Company and Ray Westall Operating, Inc. for special pool rules, Eddy County, New Mexico. The applicants, in the above-styled cause, seek an order promulgating special rules for the East Herradura Bend-Delaware Pool including a provision for a limiting gas-oil ratio of 10,000 cubic feet of gas per barrel of oil. Said pool is located in the southeastern portion of Township 22 South, Range 28 East and the northeastern portion of Township 23 South, Range 28 East, being approximately 5 miles northeast by north of Loving, New Mexico.

Dockets Nos. 32-92 and 33-92 are tentatively set for October 1, 1992 and October 15, 1992. Applications for hearing must be filed at least 23 days in advance of hearing date.

DOCKET: EXAMINER HEARING - THURSDAY - SEPTEMBER 17, 1992

**8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO**

The following cases will be heard before David R. Catanach, Examiner or Michael E. Stogner, Alternate Examiner:

CASE 10529: (Continued from September 3, 1992, Examiner Hearing.)

Application of Pogo Producing Company for an unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 1650 feet from the East line (Unit B) of Section 34, Township 22 South, Range 32 East, to test the Morrow formation, the N/2 of said Section 34 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. The proposed well site is located approximately 8.75 miles north-northeast of New Mexico State Highway No. 128 at the Lea/Eddy County Line.

CASE 10544: (Readvertised)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North line and 860 feet from the West line (Unit D) of Section 23, Township 22 South, Range 23 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation. Said well is to be either dedicated to the N/2 of said Section 23 forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools within said vertical extent spaced on 320-acre spacing or all of said Section 23 forming a standard 640-acre gas spacing and proration unit for the Undesignated Indian Basin-Upper Pennsylvanian Gas Pool. Said area is located approximately 6 miles south of the Marathon Oil Company's Indian Basin Gas Plant.

CASE 10528: (Continued from September 3, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Canyon formation, underlying the SE/4 of Section 20, Township 19 South, Range 25 East, forming a 160-acre spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical extent, which presently includes only the Undesignated North Dagger Draw-Upper Pennsylvanian Pool. Said unit is to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as the operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 6 miles northwest of Seven Rivers, New Mexico.

CASE 10542: (Continued from September 3, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1980 feet from the North line and 1650 feet from the West line (Unit F) of Section 30, Township 18 South, Range 25 East, for any and all formations and/or pools from the surface to the base of the Morrow formation being developed on 320-acre spacing, which presently includes but is not necessarily limited to the Undesignated Penasco Draw San Andres-Yeso Associated Pool, Penasco Draw-Permo Pennsylvanian Gas Pool, Undesignated Penasco Draw-Atoka Gas Pool, and Penasco Draw-Morrow Gas Pool, Lots 1 and 2, the NE/4, and E/2 NW/4 (N/2 equivalent) of said Section 30 to be dedicated to said well forming a standard 322.36-acre gas spacing and proration unit. The proposed well site is located approximately 11 miles southwest of Artesia, New Mexico.

CASE 10543: (Continued from September 3, 1992, Examiner Hearing.)

Application of Yates Petroleum Corporation for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 2, Township 19 South, Range 24 East, to test all formations and/or pools from the top of the Wolfcamp formation to the base of the Morrow formation which are spaced on 320-acre spacing, Lots 1 through 4 and the S/2 N/2 (N/2 equivalent) of said Section 2 are to be dedicated to said well forming a standard 321.08-acre gas spacing and proration unit. Further, the applicant seeks an exception to Division General Rule 104.C(2) to allow the N/2 equivalent of said Section 2 to be simultaneously dedicated in the Penasco Draw-Permo Pennsylvanian Gas Pool to the proposed well and to the existing Irish Hills "KW" State Well No. 2 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 2. Said unit is located approximately 11.5 miles west by south at Seven Rivers, New Mexico.



GREENHILL PETROLEUM CORPORATION

11490 WESTHEIMER ROAD, SUITE 200
HOUSTON, TEXAS 77077-6841
TELEPHONE (713) 589-8484
FAX (713) 589-7892

Incorporated in Delaware, U.S.A.

September 1, 1992

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

Attention: Mr. Ben Stone

Re: Lovington Paddock Unit
Well Numbers 9 and 10
Lea County, New Mexico

Dear Mr. Stone:

Enclosed please find the Proof of Publication covering the conversion from producing wells to injection wells for the Lovington Paddock Unit Well Numbers 9 and 10.

Please advise if I can provide you with additional information.

Very truly yours,

Michael J. Newport
Land Manager-Permian Basin

MJN:sjs
92.640

Enclosure

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, Kathi Bearden

of the Hobbs Daily News-Sun, a daily newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period

of _____

One weeks.
Beginning with the issue dated

Aug. 21, 1992
and ending with the issue dated

Aug. 21, 1992

Kathi Bearden
General Manager

Sworn and subscribed to before

me this 21st day of

August, 1992

La Donna North
Notary Public.

My Commission expires _____

February 14, 1995
(Seal)

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE
August 21, 1992

Greenhill Petroleum Corporation, 11490 Westheimer, Suite 200, Houston, Texas 77077-Phone (713) 589-8484 Contact: Michael J. Newport. Greenhill Petroleum Corporation plans to convert the following producing wells to injection wells within the Lovington Paddock Field Area. The purpose of the produced injection wells is to increase the reservoir pressure in order to improve the recovery of hydrocarbons. The location of the proposed wells are Well Numbers 9 and 10 within Section 31 T 16S R 37E, Lea County, New Mexico. The injection intervals are approximately between the depths of 6010' and 6838' in the Paddock Formation. The maximum injection rate pressures are 2000 PSI, 1500 BWPD. Interested parties must file objections or requests for hearing with the Oil Conservation Division, P.O. Box 2088, Santa Fe, New Mexico 87501, within fifteen (15) days.



STATE OF NEW MEXICO
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 OIL CONSERVATION DIVISION



BRUCE KING
 GOVERNOR
 ANITA LOCKWOOD
 CABINET SECRETARY

February 4, 1993

POST OFFICE BOX 2088
 STATE LAND OFFICE BUILDING
 SANTA FE, NEW MEXICO 87504
 (505) 827-5800

Greenhill Petroleum Corporation
 11490 Westheimer Road
 Suite 200
 Houston, TX 77077-6841

Attention: Michael J. Newport

**RE: Injection Pressure Increase Lovington Paddock Unit
 Well Nos. 9 and 10 Waterflood Project Lea County,
 New Mexico**

Dear Mr. Newport:

Reference is made to your request dated January 27, 1993 to increase the surface injection pressure on two wells in the Lovington Paddock Unit. This request is based on step rate tests conducted on these wells between January 18 and 19, 1993. The results of the tests have been reviewed by my staff and we feel an increase in injection pressure on these wells is justified at this time.

You are therefore authorized to increase the surface injection pressure on the following wells:

Well and Location	Maximum Injection Surface Pressure
Lovington Paddock Unit No. 9 660' FSL - 1980' FWL Unit N, Section 30, Township 16 South, Range 37 East	1745
Lovington Paddock Unit No. 10 660' FNL - 2440' FEL Unit B, Section 31, Township 16 South, Range 37 East	1620
All wells located in Lea County, New Mexico.	