

State of New Mexico
Commissioner of Public Lands

#3466

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
Chairman

Kristin Conniff
Vice Chairman

Melvin Cordova

Joe Kelly

Robert Portillos

Nancy Lynch Vigil

Rex Wilson

April 24, 1990

Greenhill Petroleum Corporation
12777 Jones Road, Suite 375
Houston, Texas 77070

ATTN: Mr. Michael J. Newport

RE: Lovington Paddock Unit
1990 Plan of Development

Gentlemen:

The Commissioner of Public Lands has this date approved the 1990 Plan of Development for the Lovington Paddock Unit. Our approval is subject to like approval by all other appropriate agencies.

The possibility of drainage by wells outside of the Unit Area and the need for further development of the Unit may exist. You will be contacted at a later date regarding these possibilities.

Enclosed is an approved copy of the 1990 Plan of Development for your files. If we may be of further help, please do not hesitate to contact this office at (505) 827-5746.

Very truly yours,

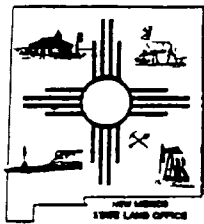
W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY:

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5746

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File
Unit P.O.D. File

WRH/FOP/SMH



State of New Mexico
Commissioner of Public Lands

#3466

W. R. Humphries
COMMISSIONER

Advisory Board

George Clark
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Robert Portillos

Nancy Lynch Vigil

Rex Wilson

March 20, 1990

Greenhill Petroleum Corporation
16010 Barker's Point Lane, Suite 325
Houston, Texas 77079

ATTN: Mr. Gene Linton

RE: ~~Lovington~~ Paddock Unit

Gentlemen:

We received your correspondence regarding the approval of the resignation of Texaco as Unit Operator and the designation of Greenhill Petroleum Corporation as Successor Unit Operator for the Lovington Paddock Unit.

The Commissioner of Public Lands has this date approved the resignation of Texaco as Unit Operator and the designation of Greenhill Petroleum Corporation as the successor Unit Operator of the Lovington Paddock Unit. Please advise all interested parties.

If you have any questions, please contact Susan Howarth at (505) 827-5791.

Very truly yours,

W.R. HUMPHRIES,
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

OCA



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.

GREENHILL PETROLEUM CORPORATION
LOVINGTON PADDOCK UNIT
C.A. #14-08-0001-8818
LEA COUNTY, NEW MEXICO

34/66

1989 PLAN OF DEVELOPMENT

1988 Production Summary

	<u>1988</u>	<u>Cumulative Since Unit</u>
Oil (mbbls)	105.2	3,947.0
Gas (mmcf)	28.6	1,994.6
Produced water (mbbls)	598.1	17,235.8
Injected water (mbbls)	1,138.8	38,554.5

Well Status

	<u>Active</u>	<u>Shut-In</u>	<u>T.A.</u>	<u>Total</u>
Oil	35	6	1	42
Injection	28	11	2	41
Water Supply	1	0	0	1
Total	64	17	3	84

1989 Activities

No development drilling is planned for 1989.

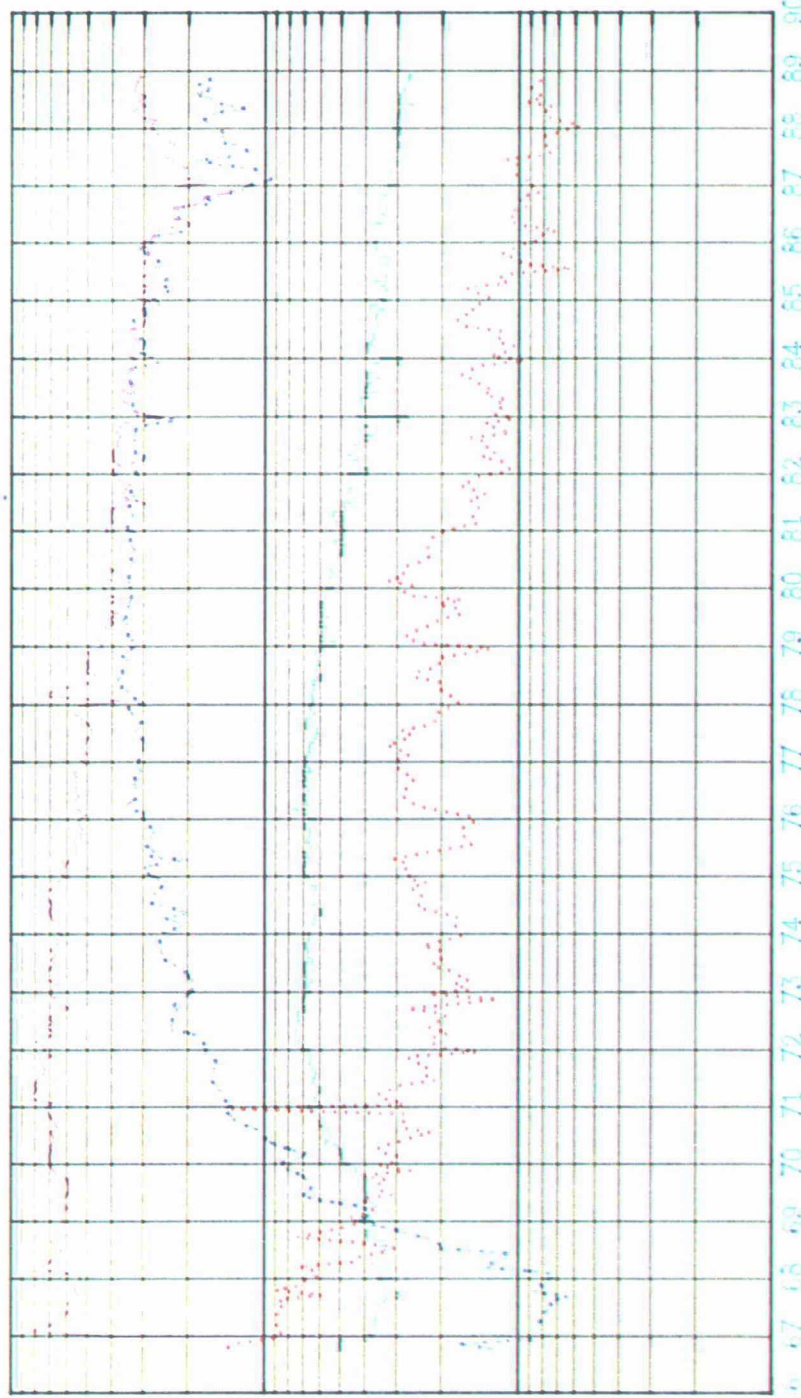
1988 Activities

No wells were drilled or plugged in 1988.

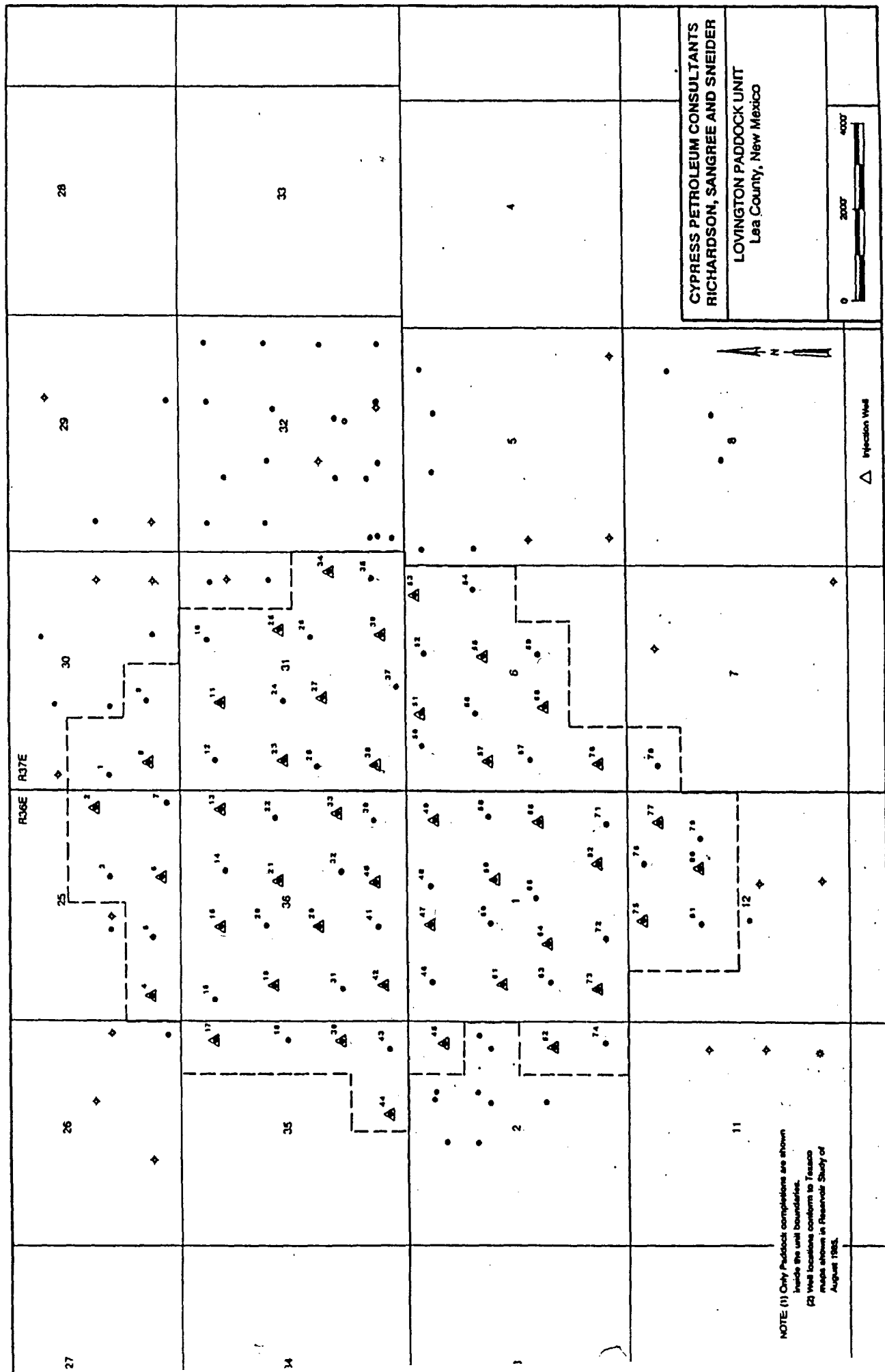
RR Dist: 01
 County: LEA
 State: NEW MEXICO
 Well Count: 38
 999999 Operator: GREENHILL
 40660 Field: LOVINGTON PADDOCK
 999 Reservoir: PADDOCK
 445320 Lease: LOVINGTON PADDOCK UNIT

1-1-88 907 450.1 1007.047 MEELS
 IP/Cumul: 0.000 0.000 0.000

Oil/Gas--Water--Inj Last 6 Pts GOR/EPM: 399.5/2333.77



69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90
 Years
 Plot Created 2/21/12/1989
 User/Loan: DMB / HCB



NOTE (1) Only Paddocks completions are shown
inside the unit boundaries.
(2) Well locations conform to Texas
maps shown in Reservoir Study of
August 1985.



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HOUSTON, TEXAS 77079
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FAX (713) 870-1831

GREENHILL PETROLEUM CORPORATION LOVINGTON PADDOCK UNIT C.A. #14-08-0001-8818 LEA COUNTY, NEW MEXICO

1989 PLAN OF DEVELOPMENT

1988 Production Summary

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1989 Activities

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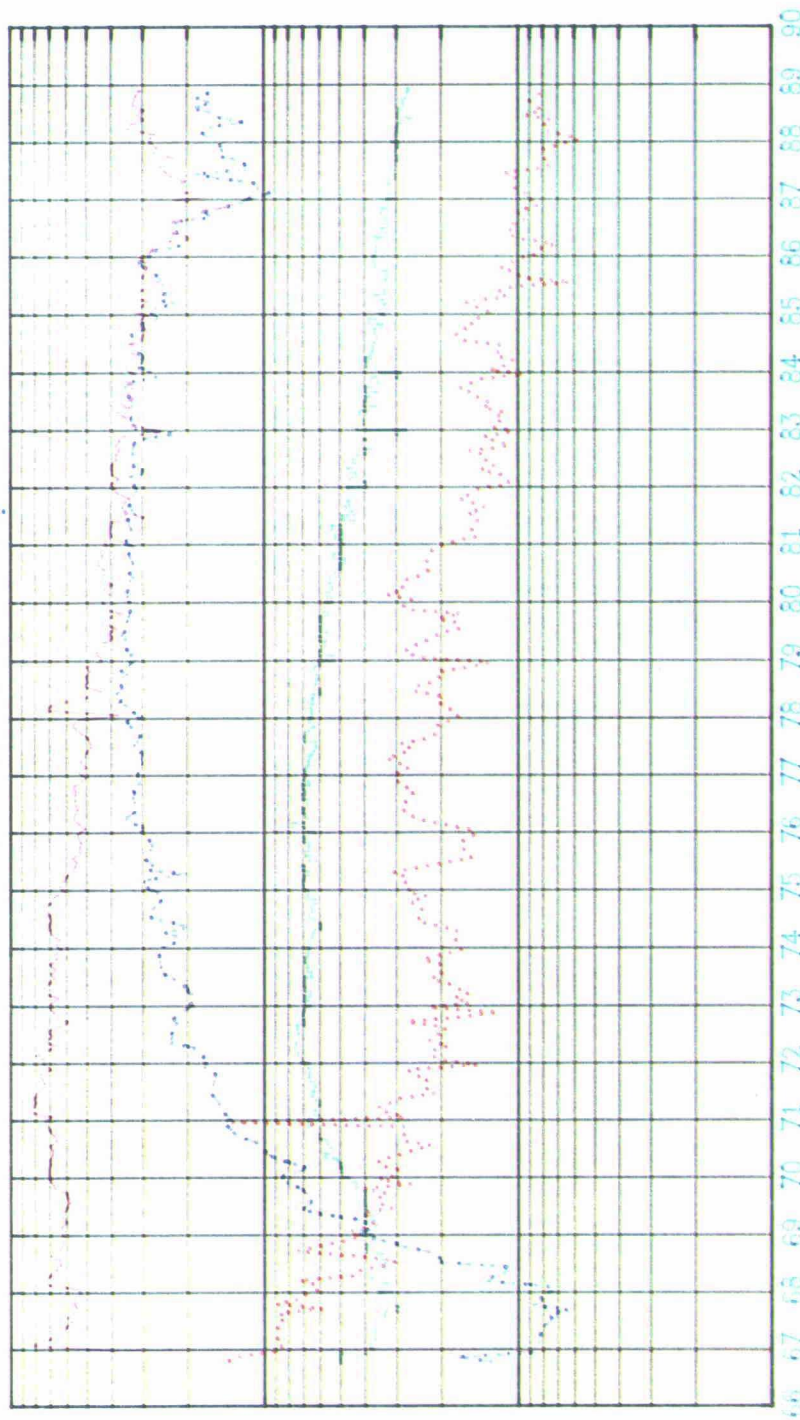
1988 Activities

No wells were drilled or plugged in 1988.

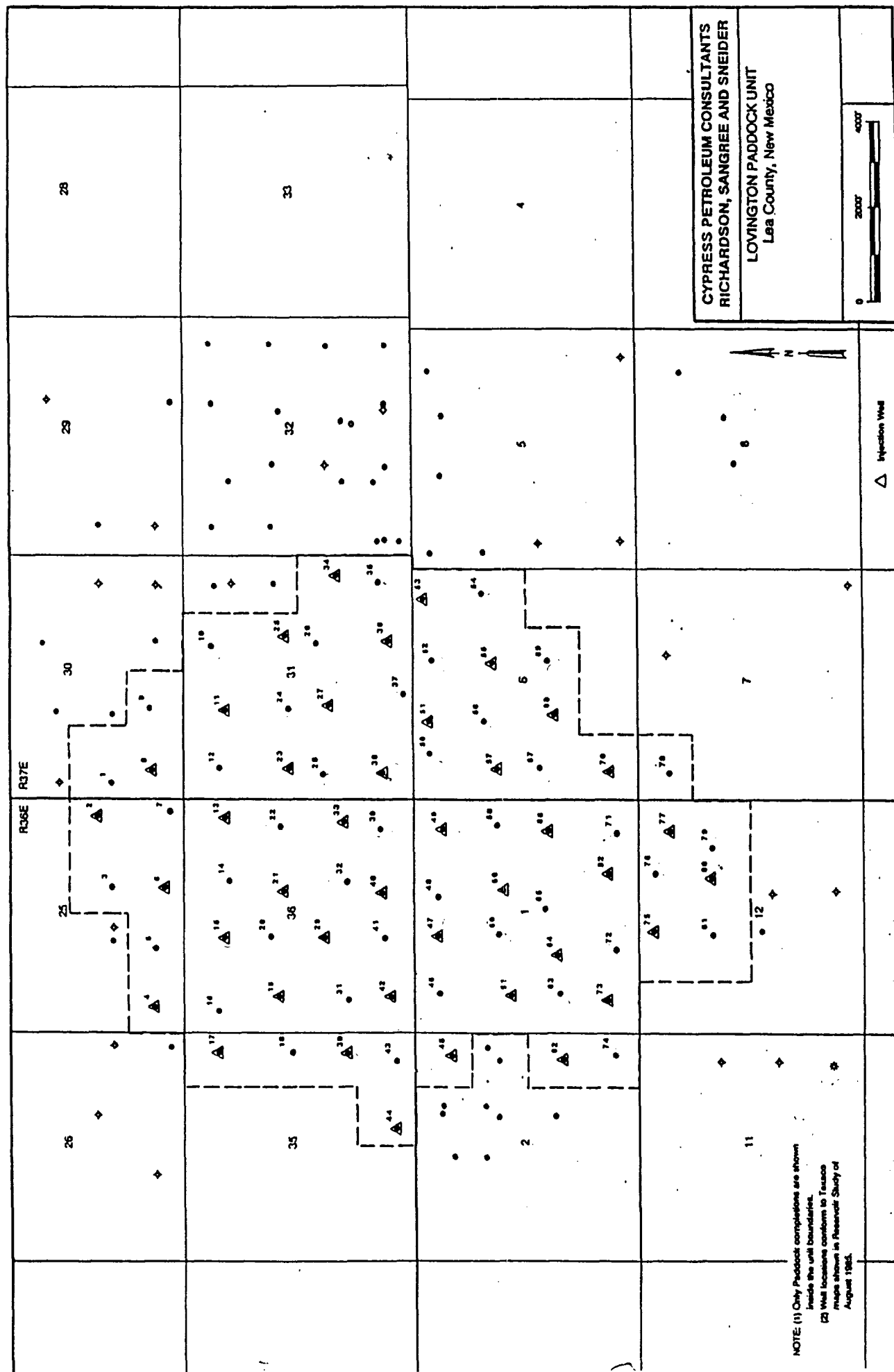
RR Dist: 01 Operator: GREENHILL
 County: LEA Field: LOVINGTON PADDOCK
 State: NEW MEXICO Reservoir: PADDOCK
 Well Count: 38 Lease: LOVINGTON PADDOCK UNIT

1-1-88 207 651.5 7007.347 MBBL
 IP/Cumul: 67 MBBL / 2195.045 MBBL

Oil/Gas--Water-- Inj Last 6 Pts GOR/EPMM: 399.5/2338.77



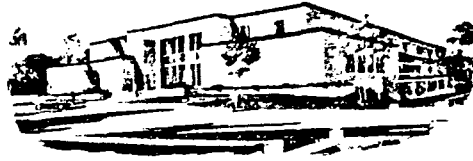
Plot Created 2-12-1989
 User/Local: BMS / HCB



State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

May 31, 1989

Greenhill Petroleum Corporation
16010 Barker's Point Lane, Suite 325
Houston, Texas 77079

ATTN: Gene Linton

RE: 1989 Plan of Development
Lovington Paddock Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned 1989 Plan of Development. Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files. If we may be of further help, please do not hesitate to contact us.

Very truly yours,

W.R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY:

A handwritten signature in cursive script, appearing to read "Floyd O. Prando".

FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5749

cc: OCD - Santa Fe, New Mexico
BLM
Unit Correspondence File

WRH/FOP/SMH



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.

March 29, 1989

#3466

Oil Conservation Division
Attn: Roy Johnson
P. O. Box 2088
Sante Fe, New Mexico 87504-2088

Re: No. Benson Queen Unit
Lovington San Andres Unit
West Lovington Unit
Lovington Paddock Unit
Eunice Monument Unit
Skaggs Grayburg Unit

Gentlemen:

Please find attached a designation of successor unit operator for the above referenced unit agreements. Also attached is a revised exhibit "B" showing current working interest owners and their ownership.

Please note that the No. Benson Queen, Lovington San Andres, West Lovington and Lovington Paddock Units include Federal, State and Fee lands. The successor forms have been sent to the Bureau of Land Management and the Commissioner of Public Lands. The Eunice Monument Unit has State and Fee lands and has been sent to the Commissioner of Public Lands. The Skaggs Grayburg Unit is all Fee lands. The C-104, Change of Operator forms, have been approved by the Hobbs and Artesia District offices.

If you have any questions or require additional information, please call me at (713) 870-0606.

Sincerely,

GREENHILL PETROLEUM CORPORATION


Gene Linton
Production Coordinator

GL/tlc

Attachments

LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO
C.A. #14-08-0001-8818

(3 working interest owners &
(70% Approval Required)

Working Interest Owners% of Unit Participation

Amerada Hess Corporation 12.03878
Attn: R. W. Mullins
P. O. Box 2040
Tulsa, Oklahoma 74102

American Exploration Company 2.07761
2100 Republic Bank Center
700 Louisiana
Houston, Texas 77002

Amoco Production Company 4.69606
Attn: R. A. Sheppard
P. O. Box 3092
Houston, Texas 77253

Cathie Cone Auvenshine .00268
P. O. Box 33280-296
Austin, Texas 78764

Coates Energy Trust and .13178
Elizabeth H. Maddux
P. O. Box 171717
San Antonio, Texas 78217

Douglas L. Cone .00267
P. O. Box 13612
Albuquerque, New Mexico 87192

K-C-K Cone Petroleum .01871
P. O. Drawer 1509
Lovington, New Mexico 88260

Tom R. Cone .00267
P. O. Box 778
Jay, Oklahoma 74346

Margaret L. Dunn de Romo .08564
100 Expressway Tower
2431 East 51st Street
Tulsa, Oklahoma 74105

Charles Burnett Dunn .08564
2836 East 38th Street
Tulsa, Oklahoma 74105

Evans H. Dunn 1.42689
100 Expressway Tower
2431 East 51st Street
Tulsa, Oklahoma 74105

EXHIBIT "B"

LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO
 C.A. #14-08-0001-8818

PAGE 2 of 3

<u>Working Interest Owners</u>	<u>% of Unit Participation</u>
Frederick L. Dunn III 206 S. Cheyenne, Suite 101 Tulsa, Oklahoma 74103-3010	.08564
Frederick L. Dunn, Jr. 100 Expressway Tower 2431 East 51st Street Tulsa, Oklahoma 74105	1.94701
Graham Royalty, Ltd. 5429 LBJ Freeway Suite 550 Dallas, Texas 75240	.76597
Greenhill Petroleum Corporation 16010 Barker's Point Lane, Suite-325 Houston, Texas 77079	56.93994
Howard P. Holmes P. O. Box 667 Hobbs, New Mexico 88240	.28396
Hondo Oil & Gas Company Attn: Bernard Mahony, Jr. P. O. Box 2208 Roswell, New Mexico 88201	1.19052
Coy S. Lowe 1500 Broadway Lubbock, Texas 79401	.08910
Marymac Company 3738 Oak Lawn Avenue - L. B. 200 Dallas, Texas 75219	3.87776
The McBee Company 3738 Oak Lawn Avenue - L. B. 200 Dallas, Texas 75219	3.87777
Dallas McCasland P. O. Box 206 Eunice, New Mexico 88231	3.48051
Phillips Petroleum Company Partnership Operations Manager P. O. Box 1967 Houston, Texas 77001	3.53985
June D. Speight P. O. Box 1687 Lovington, New Mexico 88260	.37031

EXHIBIT "B"

LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO
C.A. #14-08-0001-8818

PAGE 3 of 3

Working Interest Owners

% of Unit Participation

Standard Oil Production
Attn: J. A. Dewhirst
P. O. Box 4587
Houston, Texas 77210

.52713

Sun E & P Company
Attn: Linda Guerrero
P. O. Box 1861
Midland, Texas 79702-1861

2.45540

Designation of successor Unit Operator Lovington Paddock Unit Area, County of Lea, State of New Mexico. No. _____.

This indenture, dated as of the 29 day of December, 1988, by and between Greenhill Petroleum Corp., hereinafter designated as "First Party", and the owners of unitized working interests, hereinafter designated as "Second Parties."

Witnesseth: Whereas under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 1 day of June, 1966, approve a unit agreement Lovington Paddock Unit Area, wherein Texaco Producing Inc. is designated as Unit Operator, and

Whereas said Texaco Producing Inc. has resigned as such Operator¹ and the designation of a successor Unit Operator is now required pursuant to the terms thereof; and

Whereas the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties, and obligations of Unit Operator under the said unit agreement:

Now, therefore, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all terms of the Lovington Paddock unit agreement, and the Second Parties covenant and agree that, effective upon arrival of this indenture by the (Name and Title of authorized officer, BLM) First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said unit agreement; said unit agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said unit agreement were expressly set forth in this instrument.

In witness whereof, the parties hereto have executed this instrument as of the date hereinabove set forth.

Jeri K. Coulter
Beverly Vogt
(Witnesses)

(Witnesses)

Greenhill Petroleum Corp.
By: [Signature]
(First Party)
Texaco Producing Inc.
By: [Signature]
(Second Party)

APPROVED AS TO:

Contract R2J

Terms in Rm

Form 152

S. L. Chandler, Attorney-in-Fact

I hereby approve the foregoing indenture designating Greenhill Petroleum Corp. as Unit Operator under the unit agreement for the Lovington Paddock Unit Area, this ____ day of _____, 19__.

Authorized officer of the Bureau of Land Management

¹Where the designation of a successor Unit Operator is required for any reason other than resignation, such reason shall be substituted for the one stated.



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 19, 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
of Operator

Gentlemen:

Effective November 1, 1988, Texaco Inc. ("Texaco") is selling all of its interests in and to the captioned property to Greenhill Petroleum Corporation ("Greenhill"), 16010 Barker's Point Lane, Suite 325, Houston, Texas 77079.

Greenhill is succeeding Texaco as the new Operator. If you approve of Greenhill as the successor Operator of the captioned Unit, please so signify by signing in the space provided below and returning a copy of this letter to the undersigned.

You will continue to receive billings from Texaco for costs incurred during the period from the November 1, 1988 effective date through December 29, 1988, the closing date. Costs incurred after the closing will be billed by Greenhill.

If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: Ray S. Jones

By: _____

Title: _____

1-25-89



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 19, 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
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Gentlemen:

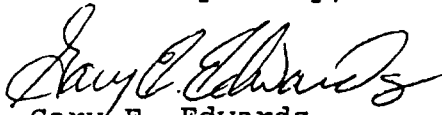
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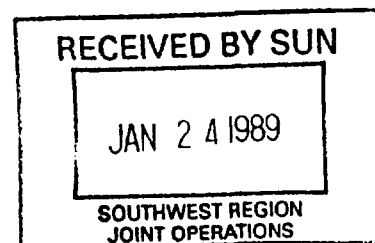
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Yours very truly,


Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures



The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: SUN EXPLORATION & PRODUCTION CO
DATE APPROVED 1-26-89
By: BY Linda Guerrero
Title: Linda Guerrero, SW Region
Joint Operations Engineer

By: Lacey D. Wheeler for David P. Wheeler interest
Title: TRUSTEE

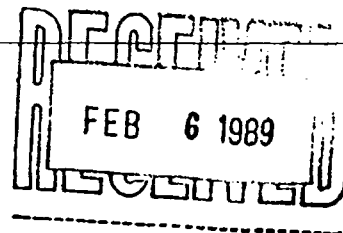


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HOUSTON, TEXAS 77079
TELEPHONE (713) 870-0606
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Incorporated in Delaware, U.S.A.

January 19, 1989



Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
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Yours very truly,


Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: FREDERICK L. DUNN, III

By: 

Title: _____

ADDRESS: 1746 E. 31st
Tulsa, OK 74105



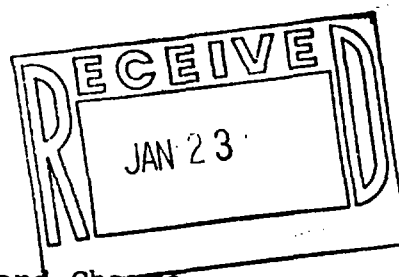
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Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: Tom R. Cone

By: Tom R. Cone

Title: WI OWNER



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 19, 1989

RECEIVED JAN 30 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
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Gentlemen:

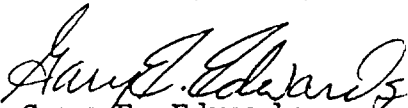
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Yours very truly,



Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: K-C-K CONE PETROLEUM, INC.

By: CLIFFORD CONE, SEC. 
Title: SECRETARY



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 19, 1989

RECEIVED JAN 31 1989

Lovington Paddock Unit Working Interest Owners
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Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

~~COMPANY:~~ _____

By:
Title: _____



GREENHILL PETROLEUM CORPORATION

16010 BARKER'S POINT LANE, SUITE 325
HOUSTON, TEXAS 77079
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January 19, 1989

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Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

~~COMPANY:~~ MARGARET LINDSAY DUNN DE ROMO

By:
Title: Attorney-in-Fact



GREENHILL PETROLEUM CORPORATION

JAN 23 1989

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

Incorporated in Delaware, U.S.A.

GRAHAM
DALLAS

January 19, 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

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Gentlemen:

Effective November 1, 1988, Texaco Inc. ("Texaco") is selling all of its interests in and to the captioned property to Greenhill Petroleum Corporation ("Greenhill"), 16010 Barker's Point Lane, Suite 325, Houston, Texas 77079.

Greenhill is succeeding Texaco as the new Operator. If you approve of Greenhill as the successor Operator of the captioned Unit, please so signify by signing in the space provided below and returning a copy of this letter to the undersigned.

You will continue to receive billings from Texaco for costs incurred during the period from the November 1, 1988 effective date through December 29, 1988, the closing date. Costs incurred after the closing will be billed by Greenhill.

If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: Greenhill Royalty, Ltd.

By: J. J. [Signature]
Title: Manager - Lovington Div.



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 19, 1989

RECEIVED JAN 30 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
of Operator

Gentlemen:

Effective November 1, 1988, Texaco Inc. ("Texaco") is selling all of its interests in and to the captioned property to Greenhill Petroleum Corporation ("Greenhill"), 16010 Barker's Point Lane, Suite 325, Houston, Texas 77079.

Greenhill is succeeding Texaco as the new Operator. If you approve of Greenhill as the successor Operator of the captioned Unit, please so signify by signing in the space provided below and returning a copy of this letter to the undersigned.

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If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

~~GREENHILL~~ _____

By: Lance H. Turner
Title: _____



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 19, 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
of Operator

Gentlemen:

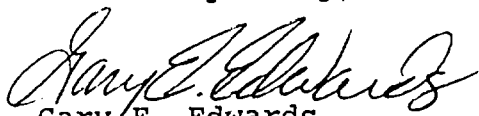
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If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,

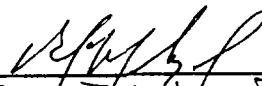

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: Houston Oil & Gas Company

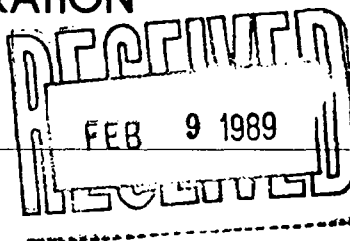
By: 
Title: Petroleum Engineer



GREENHILL PETROLEUM CORPORATION

Incorporated in Delaware, U.S.A.

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



January 19, 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
of Operator

Gentlemen:

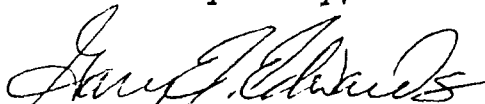
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If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,


Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: PHILLIPS PETROLEUM CO.

By: Clayton J. Jones
Title: Sr. Pet Engr P.O.



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 19, 1989

AEC

JAN 24 1989

LAND DEPT.

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
of Operator

Gentlemen:

Effective November 1, 1988, Texaco Inc. ("Texaco") is selling all of its interests in and to the captioned property to Greenhill Petroleum Corporation ("Greenhill"), 16010 Barker's Point Lane, Suite 325, Houston, Texas 77079.

Greenhill is succeeding Texaco as the new Operator. If you approve of Greenhill as the successor Operator of the captioned Unit, please so signify by signing in the space provided below and returning a copy of this letter to the undersigned.

You will continue to receive billings from Texaco for costs incurred during the period from the November 1, 1988 effective date through December 29, 1988, the closing date. Costs incurred after the closing will be billed by Greenhill.

If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: Amencon Exploration Co.

By: Clifford D. Thompson 1/26/89
Title: Joint Interest Mgr.



GREENHILL PETROLEUM CORPORATION

Incorporated in Delaware, U.S.A.

PRODUCTION - ADMIN.
HOUSTON REGION
16010 BARKER'S POINT LANE, SUITE 325
HOUSTON, TEXAS 77079
TELEPHONE (713) 870-0606
FAX (713) 870-1817

January 19, 1989

Lovington Paddock Unit Working Interest Owners
(Addressee List Attached)

Re: Lovington Paddock Unit Sale Notification and Change
of Operator

Gentlemen:

Effective November 1, 1988, Texaco Inc. ("Texaco") is selling all of its interests in and to the captioned property to Greenhill Petroleum Corporation ("Greenhill"), 16010 Barker's Point Lane, Suite 325, Houston, Texas 77079.

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If you have any questions or comments, please feel free to call the undersigned at (713) 870-0606.

Yours very truly,

Gary E. Edwards
Land Manager

GEE:89609bv

Enclosures

The undersigned hereby approves of Greenhill Petroleum Corporation becoming the successor Operator to Texaco as described above.

COMPANY: Amoco Production Company

By: [Signature]
Title: Division Production Manager

IRWG	3.386
WGW	21.190
GLC	21.186
RHH	3.330
MRC	21.199
GEJ	21.108
SRW	21.102
GEF	3.306
SSH	3.356
GDH	3.362
MCL	3.310
JMY	3.366
RWC	20.154
HPF	20.140
DRF	20.102
ERWN	20.150
RAP	20.190
USE	20.120
<input type="checkbox"/> FILE	<input type="checkbox"/> DESTROY



3466

March 7, 1988

District Supervisor
Bureau of Land Management
Roswell District Office
P. O. Box 1397
Roswell, New Mexico 88201

Commissioner of Public Lands
P. O. Box 1148
Santa Fe, New Mexico 87504-1148

New Mexico Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico

All Working Interest Owners
(Address List Attached)

RE: LOVINGTON PADDOCK UNIT
SECONDARY RECOVERY UNIT
LEA COUNTY, NEW MEXICO

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Texaco Inc. respectfully submits, for your approval, a report of past operations and a plan of development and operations for the unit during 1988.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twenty-five (25) additional wells have been converted to water injectors and presently, water is being injected into the unit through thirty-five (35) injection wells.

This unit was initiated employing an inverted nine-spot pattern. After converting a small area to a five-spot pattern, favorable response occurred in that area. The entire unit was subsequently converted to a five-spot pattern.

Bureau of Land Management,
Commissioner of Public Lands,
New Mexico Oil Conservation
Division, and Working
Interest Owners

- 2 -

March 7, 1988

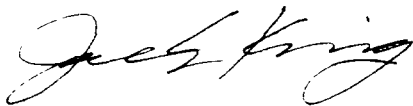
Cumulative oil production from the Lovington Paddock Unit, before project date, was 7,527,565 barrels and since unitization, production was 3,728,592 barrels to December 1, 1987. Current daily average oil producing rate is approximately 303 barrels per day. Daily water injection rate is presently 2607 BWPD at an average wellhead pressure of 1900 psig. Cumulative water injection from unitization to December 1, 1987 was 37,329,411 barrels.

During 1987, approximately 20,000' of injection line was replaced.

DEVELOPMENT PLANS FOR 1988

Plans for 1988 are to continue with injection line replacement where needed. Other plans include routine stimulation of wells, injection surveys and possibly step rate tests.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jack King".

PWS/jss

Attachment

LOVINGTON PALDOCK UNIT
LEA COUNTY, NEW MEXICO

Amerada Hess Corporation
Attn: R. W. Mullins
P. O. Box 2040
Tulsa, Oklahoma 74102

Cathie Cone Auvenshine
P. O. Box 33280-296
Austin, Texas 78764

K-C-K Cone Petroleum, Inc.
P. O. Drawer 1509
Lovington, New Mex. 88260

Sun E & P Company
Attn: Linda Guerrero
P. O. Box 1861
Midland, Texas 79702-1861

Tom R. Cone
P. O. Box 778
Jay, Oklahoma 74346

Douglas Cone
P. O. Box 13612
Albuquerque, N.M. 87192

Amoco Production Company
Attn: R. A. Sheppard
P. O. Box 3092
Houston, Texas 77253

Phillips Oil Company
Partnership Oper. Mgr.
P. O. Box 1967
Houston, Texas 77001

June D. Speight
P. O. Box 1687
Lovington, NEW MEX 88260

Amoco Production Company
Attn: Joint Operations
P. O. Box 68
Hobbs, New Mexico 88240

Mobil Producing TX & NM
Joint Interest Manager
P. O. Box 633
Midland, Texas 79702-0633

Marymac Company
3738 Oak Lawn Ave.
L.B. 200
Dallas, Texas 75219

Kirby Exploration Company
Attn: Jim Kovar
P. O. Box 1745
Houston, Texas 77251

Standard Oil Production
Two Lincoln Centre
5420 LBJ Freeway
Suite 1000 - LB/3
Dallas, Texas 75240

Tenneco Oil Company
Southwestern Division
Attn: Div. Petr. Engr.
7990 I.H. 10 West
San Antonio, Texas 78230

Hondo Oil & Gas Company
Attn: Bernard Mahoney, Jr.
P. O. Box 2208
Roswell, New Mexico 88201

Coy S. Lowe
1500 Broadway
Lubbock, Texas 79401

Dallas McCasland
P. O. Box 206
Eunice, New Mexico 88231

Evans H. Dunn
310 Expressway Tower
2431 East 51st Street
Tulsa, Oklahoma 74105

F. L. Dunn III
206 S. Cheyenne
Suite 101
Tulsa, OKLA 74103-3010

Margaret L. Dunn de Romo
310 Expressway Tower
2431 East 51st Street
Tulsa, Oklahoma 74105

Charles Burnett Dunn
2836 East 38th Street
Tulsa, Oklahoma 74105

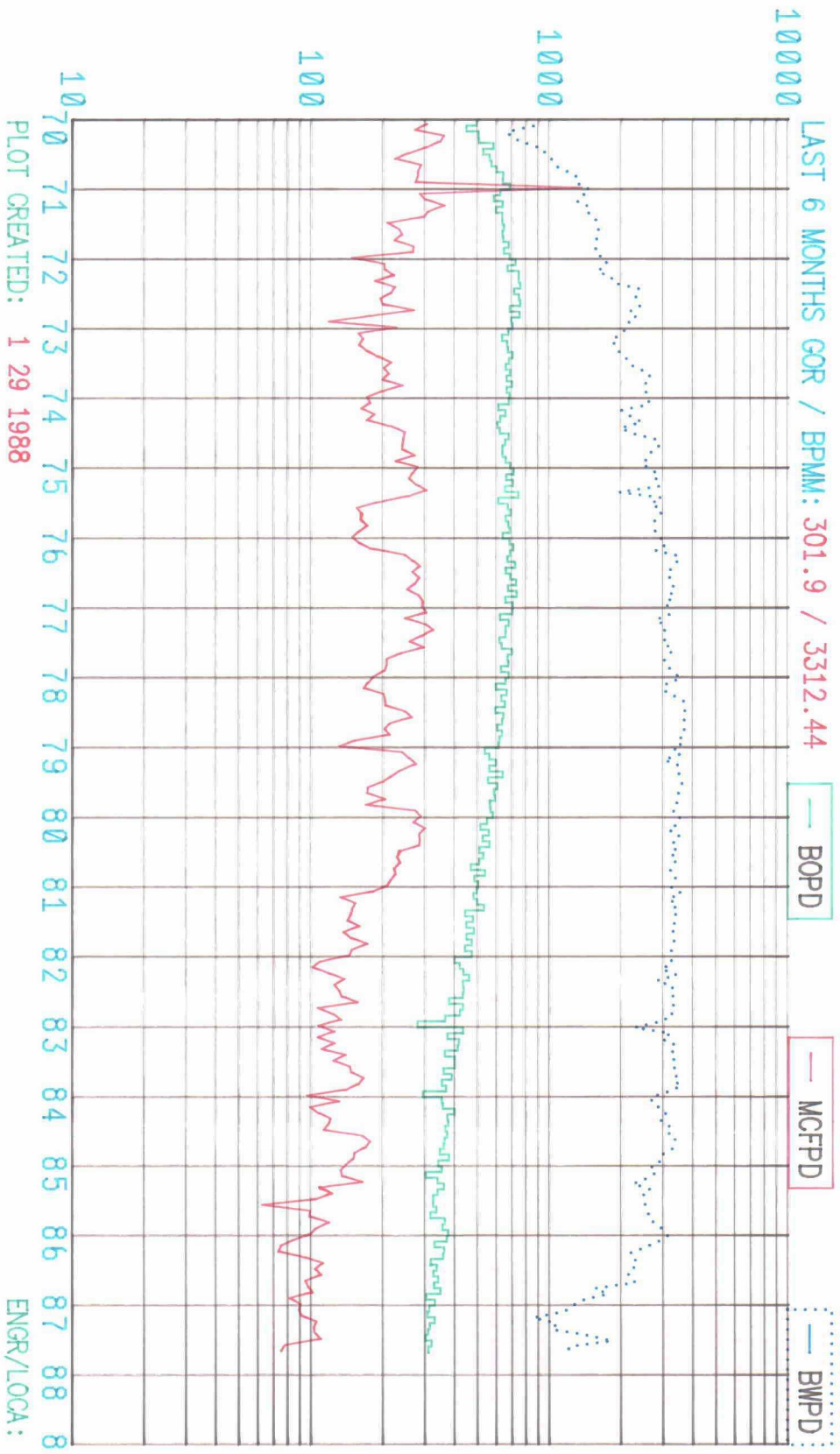
Frederick L. Dunn, Jr.
310 Expressway Tower
2431 East 51st Street
Tulsa, Oklahoma 74105

Howard P. Holmes
P. O. Box 667
Hobbs, New Mexico 88240

Coates Energy Trust and
Elizabeth H. Maddux
P. O. Box 171717
San Antonio, Texas 78217

The McBee Company
3738 Oak Lawn Ave.
L.B. 200
Dallas, Texas 75219

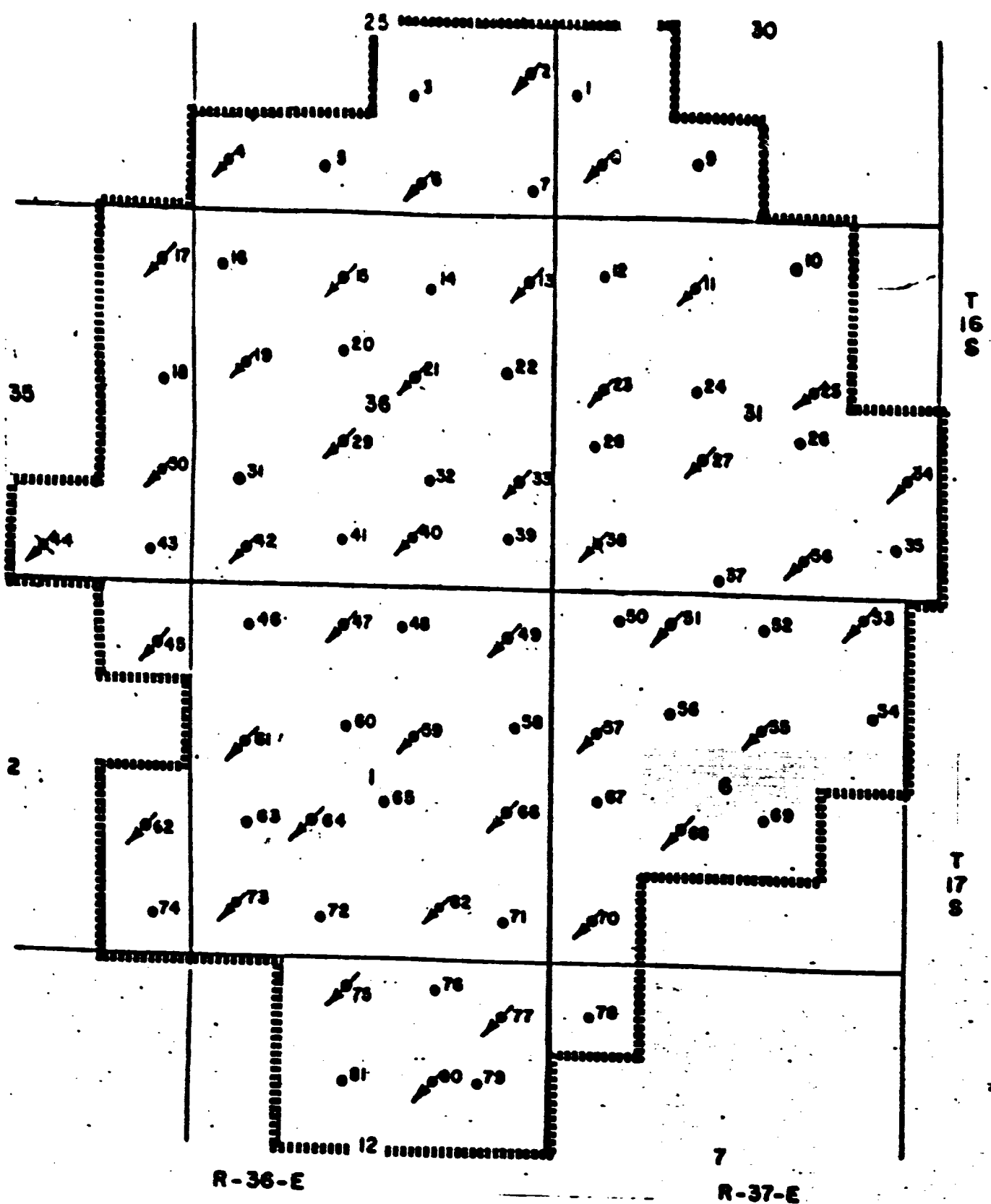
PROPERTY NAME: LOVINGTON PADDOCK UNIT
 FIELD NAME: LOVINGTON PADDOCK
 OPERATOR NAME: TEXACO PRODUCING CO.
 PRODUCING WELLS YTD: 39



1-1-87 CUMULATIVES:		1986 PRODUCTION:	
OIL : 9202.471	MBBLS	OIL : 123774	BBLS
GAS : 6360.921	MMCF	GAS : 33782	MCF
WAT : 16926.694	MBBLS	WAT : 753275	BBLS

PLOT CREATED: 1 29 1988

ENGR/LOCA: PWS / HBS

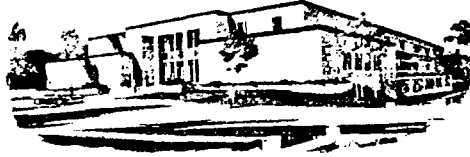


TEXACO
LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



Commissioner of Public Lands

SLO REF NO OG-702

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

March 24, 1988

Texaco USA
Attn: Mr. Joe E. King
P. O. Box 728
Hobbs, New Mexico 88240

Re: 1988 Plan of Development
Lovington Paddock Unit
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved your 1988 Plan of Development for the above captioned unit area.

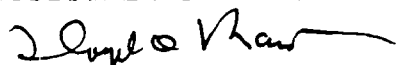
Our approval is subject to like approval by all other appropriate agencies.

Enclosed is an approved copy for your files.

If we may be of further help please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: 
FLOYD O. PRANDO, Director
Oil and Gas Division
(505) 827-5744

WRH/FOP/pm
encls.
cc: OCD
BLM

State of New Mexico



W.R. HUMPHRIES
COMMISSIONER



SLO REF. NO. OG-404

Commissioner of Public Lands

P.O. BOX 1148
SANTA FE, NEW MEXICO 87504-1148

September 3, 1987

Texaco U.S.A.
Attention: Joe E. King
P. O. Box 728
Hobbs, New Mexico 88240

Re: Lovington Paddock Unit
1987 Plan of Development
Lea County, New Mexico

Gentlemen:

The Commissioner of Public Lands has this date approved the above captioned Plan of Development. Our approval is subject to like approval by all appropriate agencies.

If we may be of further help, please do not hesitate to call on us.

Very truly yours,

W. R. HUMPHRIES
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*
FLOYD O. PRANDO, Director
Oil & Gas Division
(505) 827-5744

WRH/FOP/ams
enclosure
cc: Bureau of Land Management
Oil Conservation Division



United States Department of the Interior

GEOLOGICAL SURVEY

P. O. Box 26124
Albuquerque, New Mexico 87125

Getty Oil Company
Attention: Audra E. Cary
P. O. Box 1231
Midland, Texas 79701

3466

Gentlemen:

The 1980 plan of development submitted for the Lovington Paddock unit area, Lea County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes continuation of operations under the present waterflood pattern and four approved copies are enclosed.

Sincerely yours,

CAROL ANN WILSON

Area Oil and Gas Supervisor, SRMA

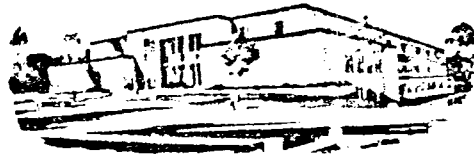
Enclosure

cc: NMOCD, Santa Fe (1tr only)



ONE HUNDRED YEARS OF EARTH SCIENCE IN THE PUBLIC SERVICE

State of New Mexico



Commissioner of Public Lands
December 28, 1979

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1231
Midland, Texas 79701

3466

Re: 1980 Plan of Development
Lovington Paddock Unit
Lea County, New Mexico

ATTENTION: Audra B. Cary

Gentlemen:

The Commissioner of Public Lands has this date approved your 1980 Plan of Development for the Lovington Paddock Unit, Lea County, New Mexico. Plans for 1980 include intensification of the efforts to minimize operation expenses under the more versatile operating techniques available with electric powers, and evaluation and improvement of formation stimulation methods. Our approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Division.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

ALEX J. ARMIJO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division
AC 505-827-2748

AJA/RDG/s
encl.
cc:

OCD-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

OIL CONSERVATION DIVISION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 7, 1960

Getty Oil Company
P. O. Box 1231
Midland, Texas 79701

Attention: Audra B. Cary

Re: Case No. 3466
Lovington Paddock Unit
1980 Plan of Development

Gentlemen:

We hereby approve the 1980 Plan of Development for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan of Development are returned herewith.

Yours very truly,

JOE D. RAMEY
Director

JDR/EP/fd
enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

C
O
P
Y



Getty Oil Company

Central Exploration and Production Division

*OK for approval
1/6/80
E/R*

3466

P.O. Box 1231
Midland, Texas
79701
December 7, 1979

Director (3)
United States Geological Survey
P.O. Drawer 1857
Roswell, N.M. 88201

File: Lovington Paddock Unit
Lease No. 00308
Lea County, N.M.

Oil Conservation Commission (3)
The State of New Mexico
Capital Annex Building
Santa Fe, N.M. 87501

Commissioner of Public Lands (3)
The State of New Mexico
Capital Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, N.M., Getty Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the unit during 1980.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twenty (20) additional wells have been converted to water injectors and presently water is being injected into the unit through thirty-eight (38) injection wells.

The unit was initiated employing an inverted nine-spot pattern but was subsequently converted to a five-spot pattern, except for wells' no. 25, 34, and 35. Oil Conservation Division approval has been received to convert the above numbered wells to water injection. Conversion is expected to be completed in early 1980.

Continuing efforts to minimize operating costs in 1979, included up-grading metallurgy of bottom hole pumps, utilizing fiberglass sucker rods, closely monitoring and adjusting the chemical treating program, and replacing all gas powered engines with electric motors, except the water injection plant and water supply well engines. Completion of the electrification project is expected in 1979.

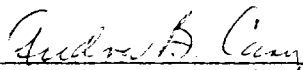
Page No. 2
December 7, 1979

Cummulative oil production from the Lovington Paddock Unit before project date is 7,527,565 barrels and since unitization is 2,688,404 barrels to October 1, 1979. Current daily average oil producing rate is approximately 600 barrels per day. Daily water injection rate is presently 4,300 at an average well head pressure of 2,100 psig. Cummulative water injection from unitization to October 1, 1979, is 29,530,735 barrels.

DEVELOPMENT PLANS FOR 1980

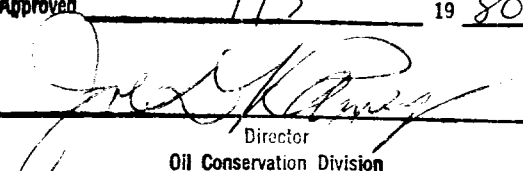
Plans for 1980 include intensification of the efforts to minimize operation expenses under the more versatile operating techniques available with electric powers, and evaluation and improvement of formation stimulation methods. Drilling of additional wells will also be evaluated.

Very truly yours,



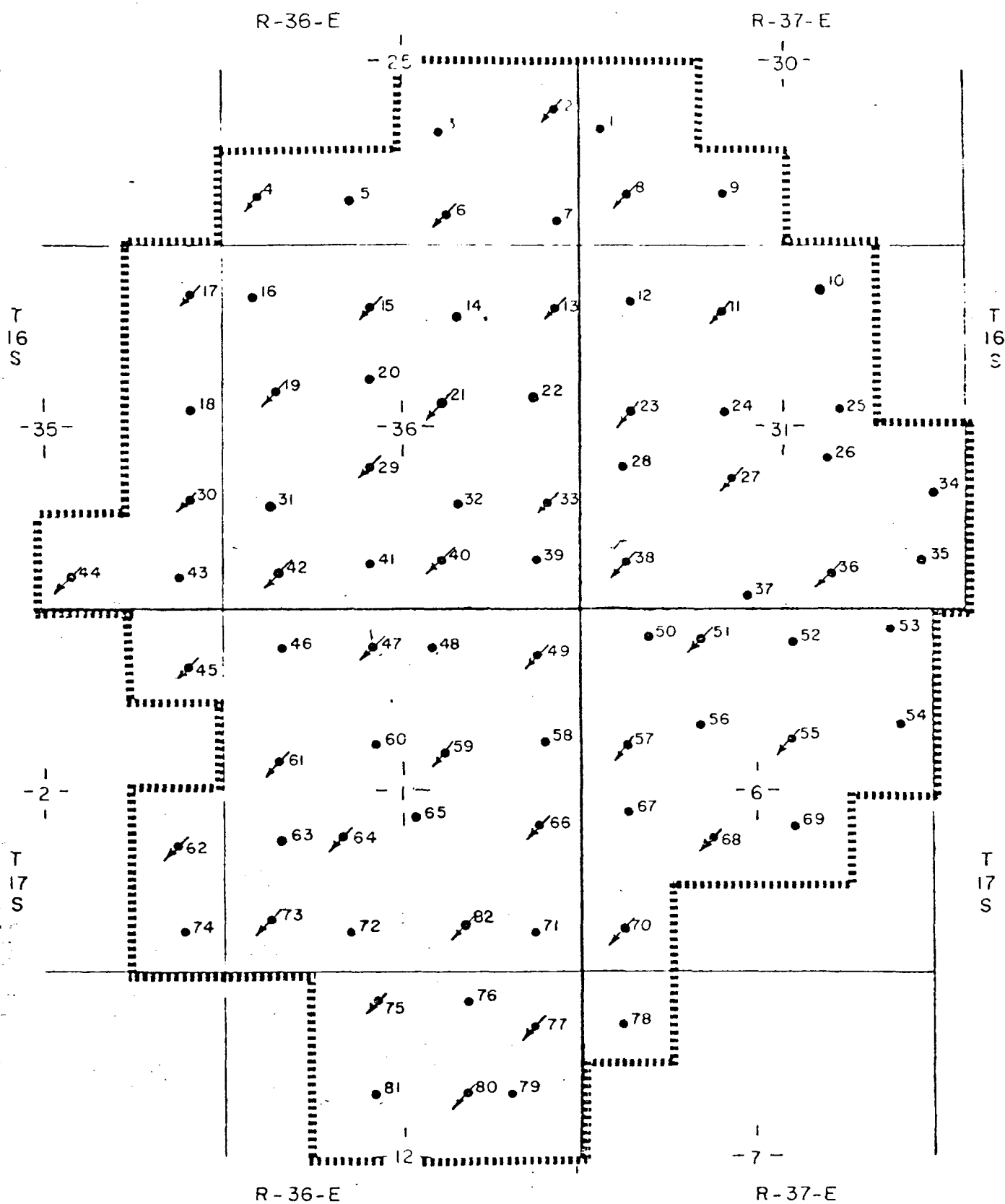
Audra B. Cary, Chairman
Working Interest Owners' Committee

EPM/sv
Attachment

Approved 11/7 19 80


Director
Oil Conservation Division
Energy and Minerals Department

THIS APPROVAL GRANTED SUBJECT TO LIKE APPROVAL
BEING GRANTED BY THE UNITED STATES GEOLOGICAL
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO.

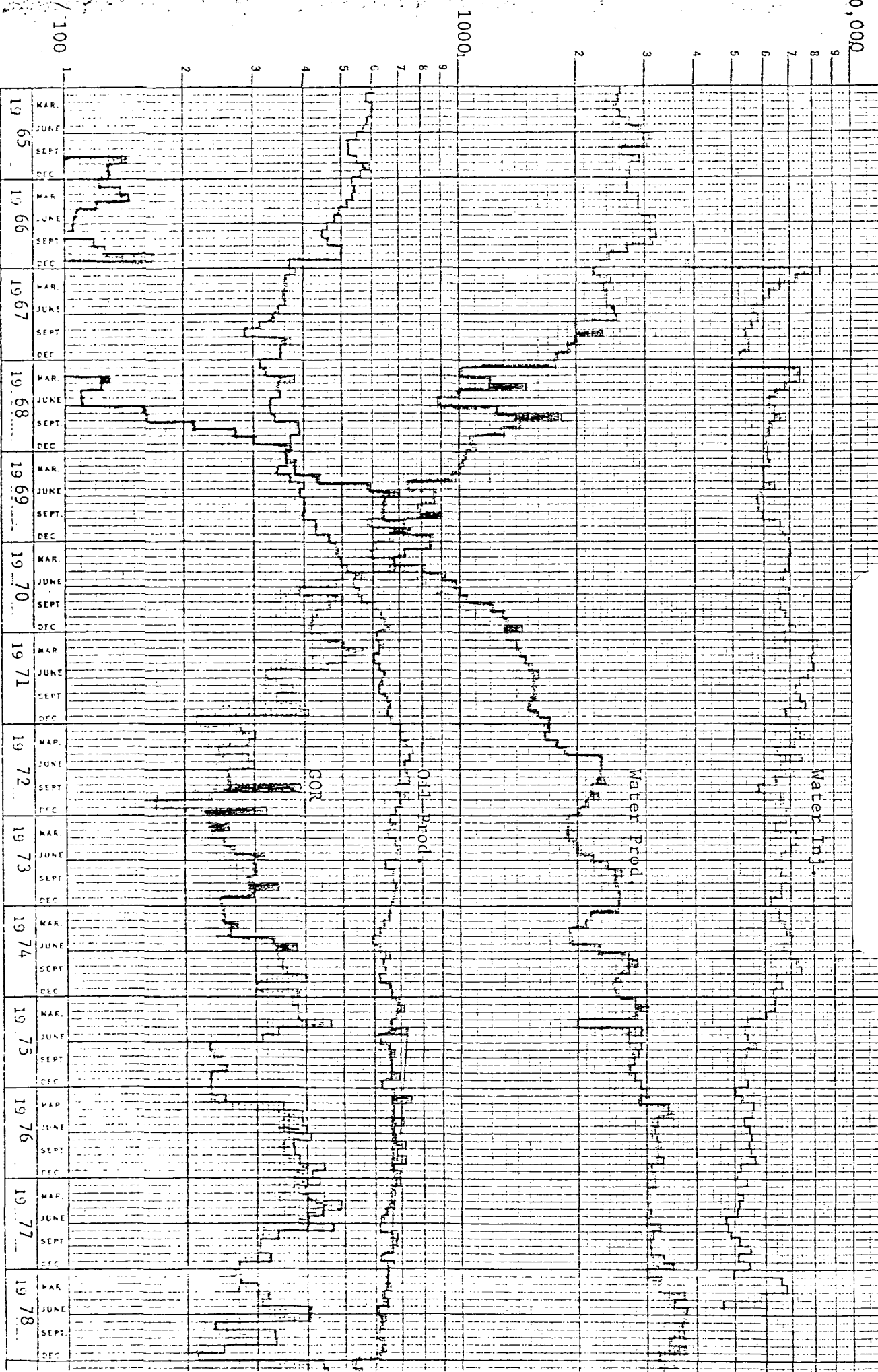


LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

Oil and water production (bbl/day), Gas-Oil Ratio (SCF/bbl), water injection (bbl/day)

Lovington Paddock
Lovington Field
Lea County, New Mexico
Unit Performance Curve



Conservation Division
P. O. Box 26124
Albuquerque, New Mexico 87125

APR 16 1977

Getty Oil Company
Attention: Mr. C. L. Wade
P. O. Box 1404
Houston, Texas 77001

Gentlemen:

One approved copy of your 1977 report of past operations and 1978 plan of development for the Lovington Paddock unit area, Lea County, New Mexico, is enclosed. Such plan, proposing continuation of present waterflood operations under the current five-spot pattern, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely,

(ORIG. SGD.) JAMES W. SUTHERLAND

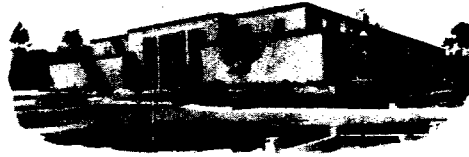
JAMES W. SUTHERLAND
Area Oil and Gas Supervisor

Enclosure

cc:
New Mexico Oil Conservation Commission, Santa Fe
Commissioner of Public Lands, Santa Fe

Received
11-14-77
27

State of New Mexico



Commissioner of Public Lands

PHIL R. LUCERO
COMMISSIONER

November 8, 1977

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Getty Oil Company
P. O. Box 1404
Houston, Texas 77001

Re: Lovington Paddock Unit
Lea County, New Mexico
Report of Past Operations
and Plan of Development for
1978

ATTENTION: Mr. C. L. Wade

Gentlemen:

The Commissioner of Public Lands has this date approved your report of past operations and your Plan of Development for the year 1978, for the Lovington Paddock Unit, Lea County, New Mexico. Your 1978 plans are to continue basically the same system of operations as this year. Performance of the five-spot pattern will be monitored and evaluated closely. Efforts are being directed toward improving techniques and results of stimulating the Paddock formation in production and injection wells.

This approval is subject to like approval by the United States Geological Survey and the New Mexico Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

FRL/RDG/s
encls.
cc:

NMOCC-Santa Fe, New Mexico
USGS-Roswell, New Mexico
USGS-Albuquerque, New Mexico

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 8, 1977

Getty Oil Company
P. O. Box 249
Hobbs, New Mexico 88240

Attention: C. L. Wade

Re: Case No. 3466
Lovington Paddock Unit
1978 Plan of Development

Gentlemen:

We hereby approve the 1978 Plan of Development for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands.

Two approved copies of the Plan are returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/LT/fd

enc.

cc: U.S.G.S. - Roswell
Commissioner of Public Lands

Getty Oil Company |

Director (3)
United Geological Survey
P.O. Drawer 1857
Roswell, N.M. 88201

File: Lovington Paddock Unit
Lease No. 00308
Lea County, N.M.

Oil Conservation Commission (3)
The State of New Mexico
Capital Annex Building
Santa Fe, N.M. 87501

Commissioner of Public Lands(3)
The State of New Mexico
Capital Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, N.M., Getty Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit during 1978.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twenty (20) additional wells have been converted to water injectors and presently water is being injected into the Unit through thirty-eight (38) injection wells.

Conversion of six (6) producers to injectors during 1971, established several five-spot injection patterns which were observed for comparison and performance versus the originally employed inverted nine-spot.

Based on performance of the pilot five-spot injection pattern, approvals were secured and the conversions were made to convert to a unitwide five-spot pattern. At present, the Lovington Paddock Unit is fully expanded to a five-spot pattern with the exception of wells No. 25, 34, and 53 along the eastern boundary of the Unit. Prior to conversion of these wells to injectors, common boundary Agreements providing for compensating boundary injection will be necessary.

Page No. 2
October 31, 1977

In 1973, work was completed whereby the working interest owners and Amoco approved a proposal for Amoco to re-acquire the Lovington San Andres Unit Well No. 52, complete it as a single producer of the Paddock zone, and tender it as a Paddock well in the Lovington Paddock Unit, in lieu of assessment cost to Amoco on Tract 21. This well has now been converted to an injection well.

Produced water is now being injected through a separate system from the fresh water system, preventing problems that might arise due to incompatibility. Sulphur dioxide is injected into the fresh water system for oxygen removal. Efforts are continuing toward increasing water injection rates into reservoir.

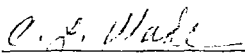
Cummulative oil production from the Lovington Paddock Unit before project date is 7,527,565 barrels and since unitization is 2,344,306 barrels to October 1, 1977. Current daily average oil producing rate is approximately 680 barrels per day. Daily water injection rate is presently 5,030 at an average well head pressure of 2,001 psig. Cummulative water injection from unitization to October 1, 1977, is 25,244,311 barrels.

Skelly Oil Company was merged into Getty Oil Company and Getty Oil Company became the unit operator effective June 1, 1977.

DEVELOPMENT PLANS FOR 1978

Plans for 1978 are to continue basically the same system of operation as this year. Performance of the five-spot pattern will be monitored and evaluated closely. Efforts are being directed toward improving techniques and results of stimulating the Paddock formation in production and injection wells.

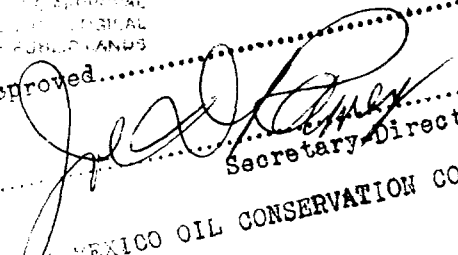
Very truly yours,


C. L. Wade
Area Superintendent

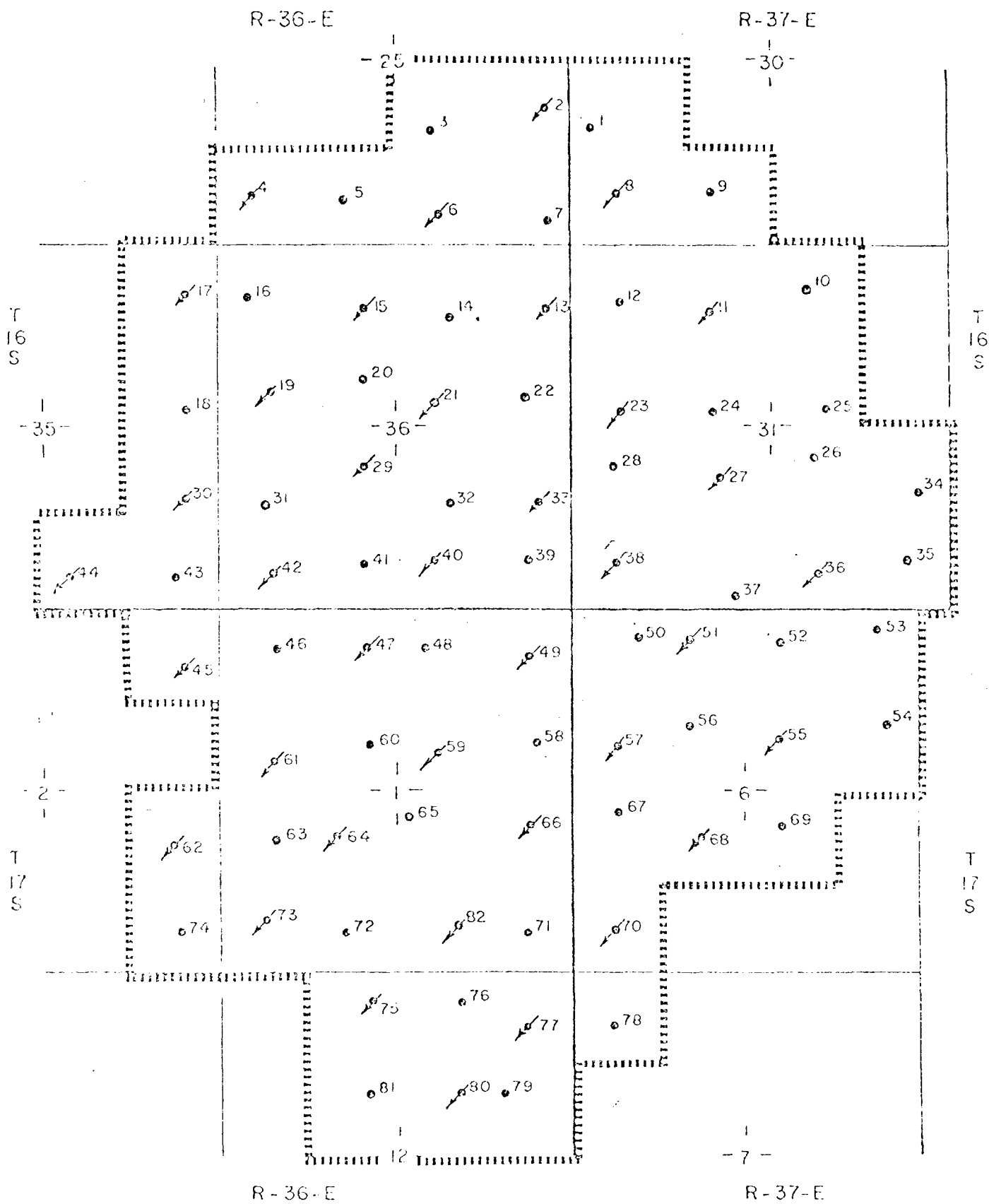
BOB/db
Attachment

THIS INSTRUMENT, OF RECORD NO. 1, IS APPROVED
BY THE COMMISSIONER OF PUBLIC LANDS, STATE OF NEW MEXICO,
IN WITNESS WHEREOF, I HAVE HEREUNTO SET MY HAND AND
SEAL, AT SANTA FE, NEW MEXICO, THIS 10TH DAY OF OCTOBER, 1977.

Approved.....


Secretary

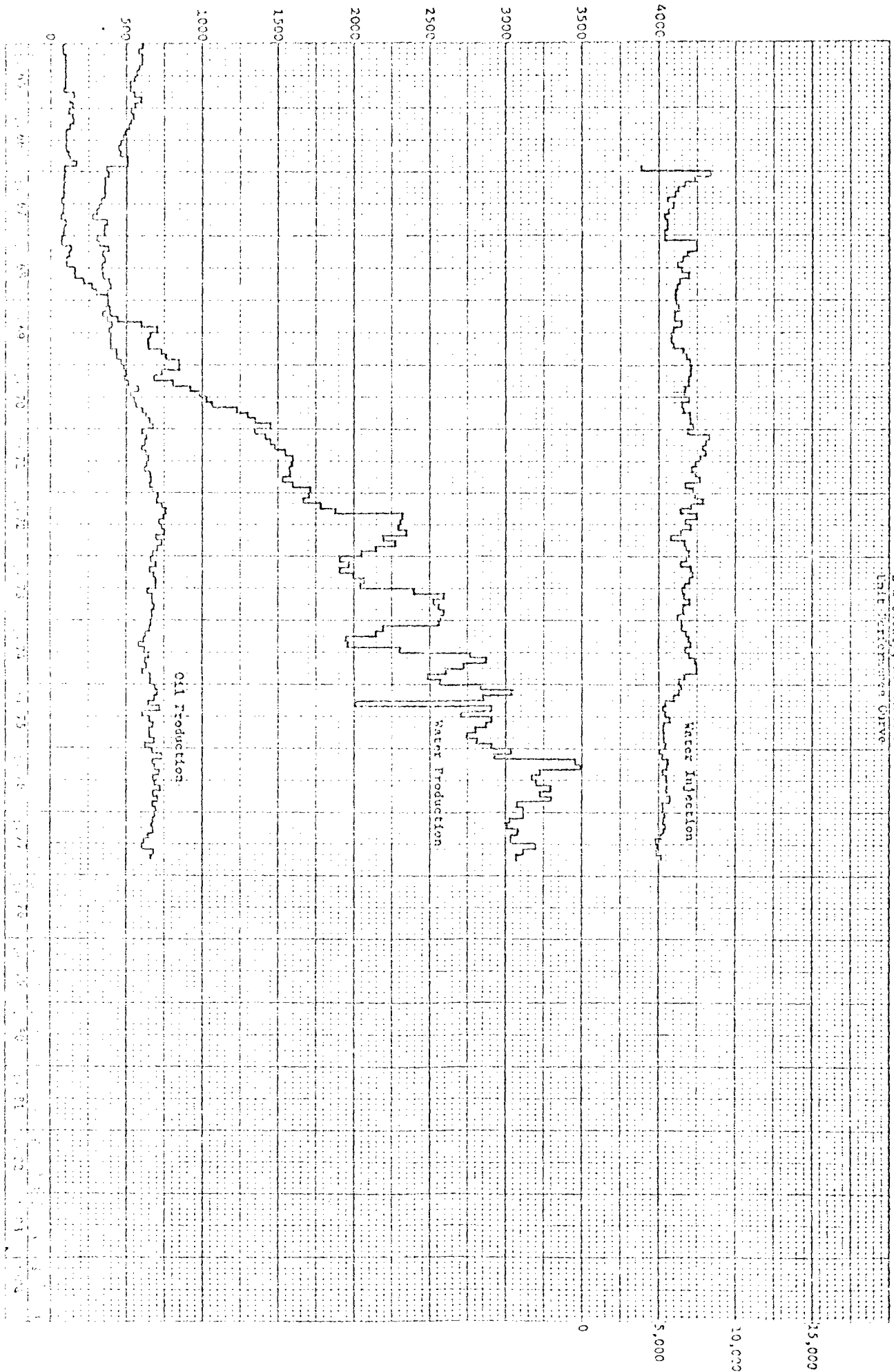
NEW MEXICO OIL CONSERVATION COMMISSION



LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

Oil and Water Production



- 450

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 23, 1976

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: 1977 Development Plans,
Lovington Paddock Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Development Plans for the calendar year 1977 for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plans are returned herewith.

Very truly yours,

JOE D. RAMEY
Secretary-Director

JDR/JEK/og

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico



SKELLY OIL COMPANY

November 5, 1976

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

ADDRESS REPLY TO:

P. O. BOX 1351

MIDLAND, TEXAS 79701

File: Lovington Paddock Unit
Lease No. 00308
Lea County, New Mexico

Director (3)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit during 1977.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twenty (20) additional wells have been converted to water injectors and presently water is being injected into the Unit through thirty-eight (38) injection wells.

Conversion of six (6) producers to injectors during 1971, established several five-spot injection patterns which were observed for comparison and performance versus the originally employed inverted nine-spot.

Based on performance of the pilot five-spot injection pattern, approvals were secured and the conversions were made to convert to a unitwide five-spot pattern. At present, the Lovington Paddock Unit is fully expanded to a five-spot pattern with the exception of wells No. 25, 34, and 53 along the eastern boundary of the Unit. Prior to conversion of these wells to injectors, common boundary Agreements providing for compensating boundary injection will be necessary.

In 1973, work was completed whereby the working interest owners and Amoco approved a proposal for Amoco to re-acquire the Lovington San Andres Unit Well No. 52, complete it as a single producer in the Paddock zone, and tender it as a Paddock well in the Lovington Paddock Unit, in lieu of assessment cost to Amoco on Tract 21. This well has now been converted to an injection well.

Produced water is being injected through a separate system from the fresh water system, preventing problems that might arise due to incompatibility. Sulphur dioxide is injected into the fresh water system for oxygen removal. Efforts are continuing toward increasing water injection rates into the reservoir.

Cumulative oil production from the Lovington Paddock Unit before project date is 7,527,565 barrels and since unitization is 2,063,789 barrels to October 1, 1976. Current daily average oil producing rate is approximately 682 barrels per day. Daily water injection rate is presently 5,538 BPD at an average wellhead pressure of 2,010 psig. Cumulative water injection from unitization to October 1, 1976, is 23,375,818 barrels.

DEVELOPMENT PLANS FOR 1977

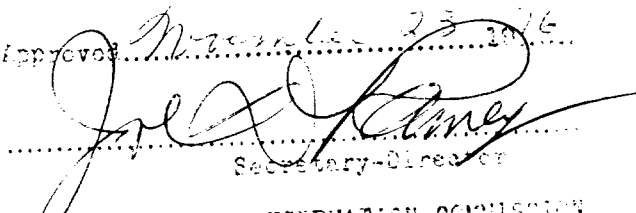
Plans for 1977 are to continue basically the same system of operation as this year. Performance of the five-spot pattern will be monitored and evaluated closely. Efforts are being directed toward improving techniques and results of stimulating the Paddock formation in production and injection wells.

Very truly yours,



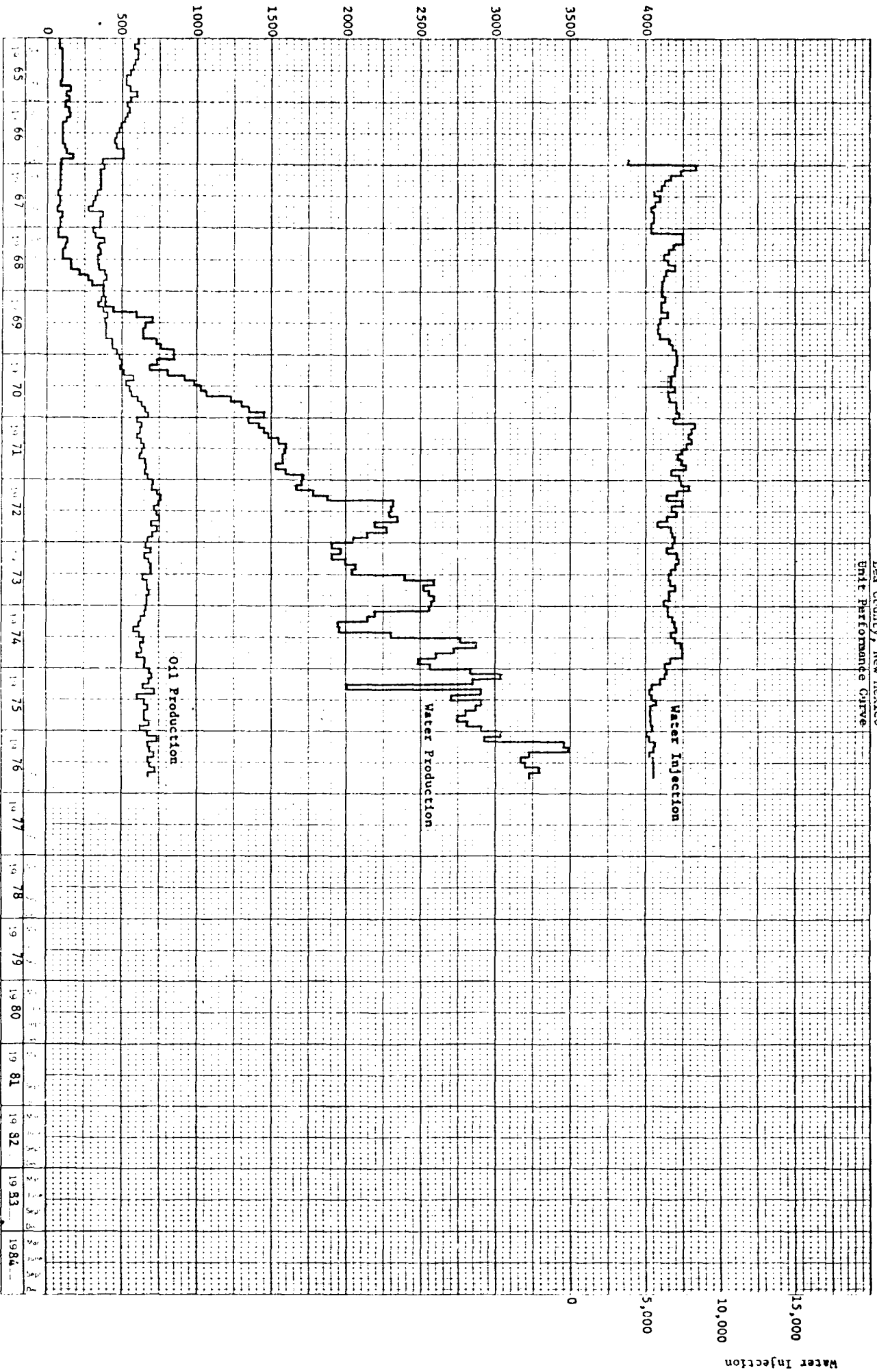
Leland Franz, Chairman
Working Interest Owners' Committee

OVS/slw
Attachment

Approved November 23, 1976

.....
Secretary-Director
NEW MEXICO OIL CONSERVATION COMMISSION

Oil and Water Production

Lovington Paddock
 Lovington Field
 Lea County, New Mexico
 Unit Performance Curve





United States Department of the Interior

GEOLOGICAL SURVEY

Conservation Division
Western National Bank Building
505 Marquette, NW, Room 815
Albuquerque, New Mexico 87102

Skelly Oil Company
Attention: Mr. Leland Franz
P. O. Box 1351
Midland, Texas 79701

Gentlemen:

One approved copy of your 1976 report of past operations and 1977 plan of development for the Lovington Paddock unit area, Lea County, New Mexico is enclosed.

Such plan, proposing continuation of present waterflood operations under the current five-spot pattern, was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

(ORIG. SGD.) MATT W. SUTHERLAND

Area Oil and Gas Supervisor

cc:
NMOCC, Santa Fe *← This copy for*
Com. Pub. Lands, Santa Fe



United States Department of the Interior

GEOLOGICAL SURVEY
P. O. Drawer 1857
Roswell, New Mexico 88201

May 10, 1976

Skelly Oil Company
Attention: Mr. Leland Franz
P. O. Box 1351
Midland, Texas 79701

Gentlemen:

The 1976 plan of development submitted for the Lovington Paddock unit area, Lea County, New Mexico, was approved on this date subject to like approval by the appropriate State officials.

Such plan proposes continuation of waterflood operations under the current five-spot injection pattern and four approved copies are enclosed.

It is requested that you provide this office with a copy of waterflood injection and production data in graphical form at your earliest convenience and include an updated copy of such graph with all subsequent plans of development.

Sincerely yours,

(ORIG. & 2) C. C. TRAYWICK

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

Enclosure

cc:
Hobbs (w/cy plan)
NMOCC, Santa Fe (1tr. only) ← This Copy for
Com. Pub. Lands, Santa Fe (1tr. only)

JAGillham:dlk

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

3426

December 16, 1975

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: 1976 Plan of Development,
Lovington Paddock Unit, Lea
County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Development Plans for the calendar year 1976 for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

JOE D. RAMSEY
Secretary-Director

JDR/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

U. S. Geological Survey
Roswell, New Mexico

C
O
P
Y



SKELLY OIL COMPANY

December 1, 1975

DOMESTIC EXPL. & PROD. DEPARTMENT

MIDLAND E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER

M. J. EKMAN, DISTRICT ENGINEER

C. F. BOSECKER, LEAD RESERVOIR ENGINEER

F. J. PETRO, LEAD PRODUCTION ENGINEER

File: Lovington Paddock Unit
Lease No. 00308
Lea County, New Mexico

Re: Report of Past Operations and
Plan of Development and Operation
for 1976

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit during 1976.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twenty (20) additional wells have been converted to water injectors and presently water is being injected into the Unit through thirty-eight (38) injection wells.

Conversion of six (6) producers to injectors during 1971, established several five-spot injection patterns which were observed for comparison and performance versus the originally employed inverted nine-spot.

Based on performance of the pilot five-spot injection pattern, approvals were secured and the conversions were made to convert to a unitwide five-spot pattern. At present, the Lovington Paddock Unit is fully expanded to a five-spot pattern with the exception of wells No. 25, 34, and 53 along the eastern boundary of the Unit. Prior to conversion of these wells to injectors, common boundary Agreements providing for compensating boundary injection will be necessary.

In 1973, work was completed whereby the working interest owners and Amoco approved a proposal for Amoco to re-acquire the Lovington San Andres Unit Well No. 52, complete it as a single producer in the Paddock zone, and tender it as a Paddock well in the Lovington Paddock Unit, in lieu of assessment cost to Amoco on Tract 21. This well has now been converted to an injection well.

Produced water is being injected through a separate system from the fresh water system, preventing problems that might arise due to incompatibility. Sulphur dioxide is injected into the fresh water system for oxygen removal. Efforts are continuing toward increasing water injection rates into the reservoir.

There have been no major changes or revisions that would affect the producing system during this year. Repairs and replacement of lift equipment and producing facilities were made as dictated by production and well conditions. Installation of larger lift is planned in late 1975. Four wells were fracture stimulated with fair results in 1975.

Cumulative oil production from the Lovington Paddock Unit before project date is 7,527,565 barrels and since unitization is 1,870,670 barrels to November 1, 1975. Current daily average oil producing rate is approximately 680 barrels per day. Daily water injection rate is presently 5,560 BPD at an average wellhead pressure of 2,100 psig. Cumulative water injection from unitization to November 1, 1975 is 21,557,478 barrels.

DEVELOPMENT PLANS FOR 1976

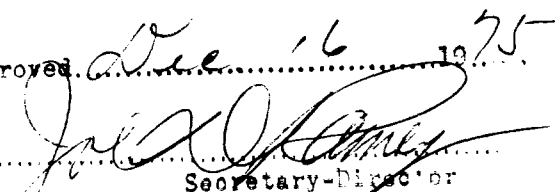
Plans for 1976 are to continue basically the same system of operation as this year. Performance of the five-spot pattern will be monitored and evaluated closely. A computer analyzed pattern analysis is scheduled to be initiated in the near future and steps will be taken to achieve optimum pattern balance and performance. Temperature and tracer logs will be conducted as necessary to insure confinement of the injected fluid to the reservoir. Larger lifting capacities are expected to be required on several wells in 1976.

Efforts are being directed toward improving techniques and results of stimulating the Paddock formation in production and injection wells.

Very truly yours,

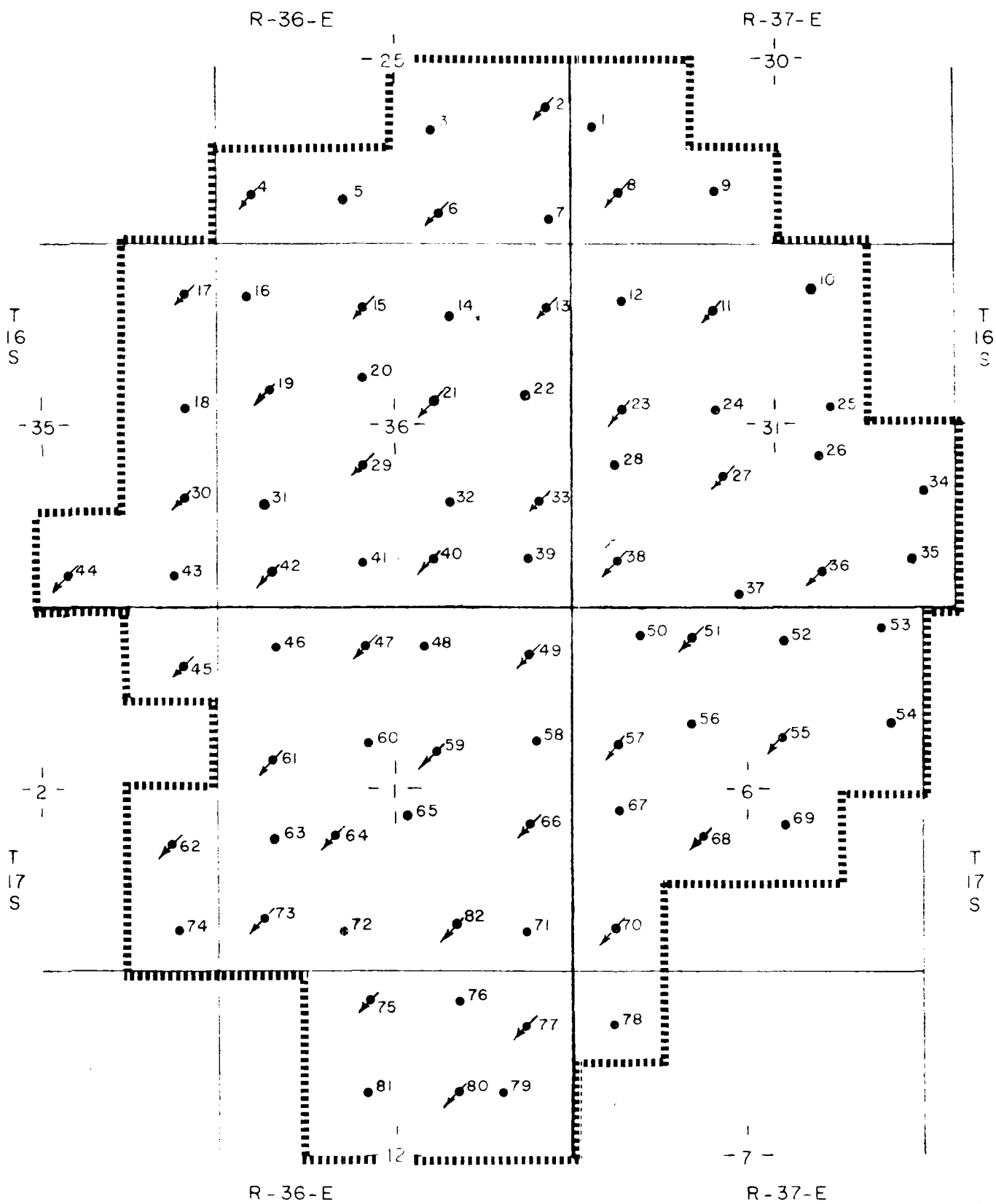

Leland Franz
District Production Manager

BOB/slw
Attach.

Approved  12-16-75

Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION



LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'



PHIL R. LUCERO
COMMISSIONER

State of New Mexico



Commissioner of Public Lands
December 10, 1975

TELEPHONE
505-827-2748

P. O. BOX 1148
SANTA FE, NEW MEXICO 87501

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Lovington Paddock Unit
Report of Past Operations and
Plan of Development and Operation
for 1976
Lea County, New Mexico

ATTENTION: Mr. Leland Franz

Gentlemen:

The Commissioner of Public Lands has this date approved your 1976 Plan of Development and Operation, whereby you will continue basically the same system of operation as the year 1975 and other work. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

PHIL R. LUCERO
COMMISSIONER OF PUBLIC LANDS

BY:
RAY D. GRAHAM, Director
Oil and Gas Division

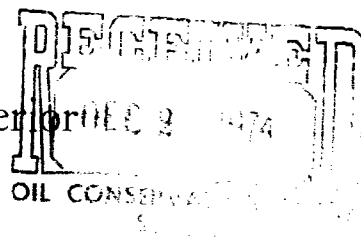
PRL/RDG/s
encl.
cc:

USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



United States Department of the Interior

GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201



December 20, 1974

Skelly Oil Company
Attention: Mr. Leland Franz
P.O. Box 1351
Midland, Texas 79701

34-010

Gentlemen:

On this date, your 1975 plan of development for the Lovington Paddock unit area, Lea County, New Mexico, wherein you propose to continue waterflood operations under the present five-spot injection pattern, was approved. Such approval is subject to like approval by the appropriate officials of the State of New Mexico.

Three approved copies of the plan are enclosed.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:

- NMOCC, Santa Fe (ltr only)
- Com. Pub. Lands, Santa Fe (ltr only)
- Hobbs (w/cy plan)

JAGillham:ds



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

November 27, 1972

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. C. J. Love

Gentlemen:

The 1973 plan of development and operation for the Lovington Paddock unit area, Lea County, New Mexico, is approved on this date subject to like approval by the appropriate officials of the State of New Mexico. Such plan proposes to (1) continue the inverted nine-spot and five-spot waterflood patterns, (2) evaluate five-spot pattern performance for possible ultimate operation, and (3) secure an injection well in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ sec. 1, T. 17 S., R. 36 E., either by drilling or acquisition and recompletion.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIGINAL) C.C.

CARL C. TREYWICK
Acting Area Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Hobbs (w/cy of plan)
NMOCC, Santa Fe (w/ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

JAGillham:11-27-72

State of New Mexico

TELEPHONE
505-827-2748



Commissioner of Public Lands

December 18, 1974

ALEX J. ARMIJO
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Lovington Paddock Unit
Report of Past Operations and
Plan of Development and Operation
for 1975

ATTENTION: Mr. Leland Franz

Gentleman:

The Commissioner of Public Lands has this date approved your Plan of Development and Operation for the Year 1975, for the Lovington Paddock Unit, Lea County, New Mexico, proposing continuation of operations under the present waterflood pattern. This approval is subject to like approvals by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a Three (\$3.00) Dollar filing fee.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

encl.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE NEW MEXICO 87501

January 8, 1974

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. Leland Franz

Re: 1975 Plan of Development
Lovington Paddock Unit,
Lea County, New Mexico.

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Development for the year 1975 for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico



SKELLY OIL COMPANY

December 6, 1974

DOMESTIC EXPL. & PROD. DEPARTMENT
WEST CENTRAL E & P DISTRICT

F. L. FRANZ, DISTRICT PRODUCTION MANAGER
M. J. EKMAN, DISTRICT ENGINEER
F. J. HENSLEY, LEAD RESERVOIR ENGINEER
F. J. PETRO, LEAD PRODUCTION ENGINEER

File: Lovington Paddock Unit
Lease No. 00308
Lea County, New Mexico

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

Re: Report of Past Operations and
Plan of Development and Operation
for 1975

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit in 1975.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twenty (20) additional wells have been converted to water injectors and presently water is being injected into the Unit through thirty-eight (38) injection wells.

Conversion of six (6) producers to injectors during 1971, established several five-spot injection patterns which were observed for comparison and performance versus the originally employed inverted nine-spot.

Based on performance of the five-spot pattern configuration, it was decided to go to a Unit wide five-spot injection pattern. Approvals were secured and the conversion was made to accomplish this. At present, the Lovington Paddock Unit is fully expanded to a five-spot pattern with the exception of wells No. 25, 34, and 53 along the eastern boundary of the Unit. Prior to conversion of these wells to injectors, common boundary Agreements will be necessary.

LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

In 1973, work was completed whereby the working interest owners and Amoco approved a proposal for Amoco to reacquire the Lovington San Andres Unit Well No. 52, complete it as a single producer in the Paddock zone, and tender it as a Paddock well in the Lovington Paddock Unit, in lieu of assessment cost to Amoco on Tract 21. This well has now been converted to an injection well.

All produced water is being injected separately from the fresh water system, preventing any problems that might arise due to incompatibility. Sulphur dioxide is injected into the fresh water system for oxygen removal. Efforts are continuing toward increasing water injection rates into the Unit.

There have been no major changes or revisions that would effect the producing system during this year. Repairs and replacement of lift equipment and producing facilities were made as dictated by production and well conditions.

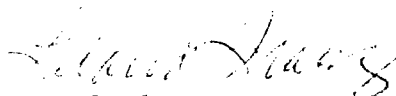
Cumulative oil production from the Lovington Paddock Unit before project is 7,527,565 barrels and since unitization is 1,586,561 barrels to November 1, 1974. Current daily average oil producing rate is approximately 626 barrels per day. Daily water injection rate is presently 6,330 BPD at an average wellhead pressure of 2,100 psig. Cumulative water injection from unitization to November 1, 1974 is 19,424,689 barrels.

DEVELOPMENT PLANS FOR 1975

Plans for 1975 are to continue basically the same system of operation as this year. Performance of the five-spot pattern will be monitored and evaluated closely. A computer analyzed pattern analysis is scheduled to be made in the near future and steps will be taken to achieve optimum pattern balance and performance. Temperature and tracer logs will be conducted as necessary to insure confinement of the injected fluid to the reservoir.

Efforts are being directed toward finding a method to effectively stimulate the Paddock formation in the producing wells.

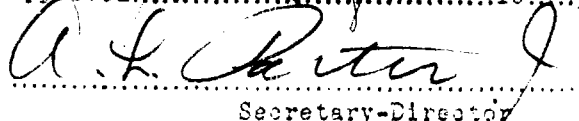
Very truly yours,



Leland Franz
District Production Manager

BOB/ss
Attach.

Approved *[Signature]* 1975



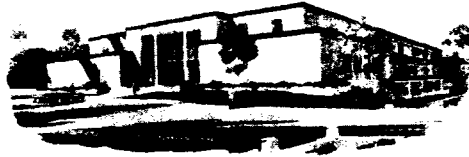
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

State of New Mexico

TELEPHONE

505-827-2748



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

November 20, 1973

P. O. Box 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Lovington Paddock Unit
Report of Past Operations and
Plan of Development and Operation
for 1974

ATTENTION: Mr. C. J. Love

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development and Operation for the Year 1974. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy for your files.

Your Filing Fee in the amount of Three (\$3.00) Dollars has been received.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Division

AJA/RDG/s
encl.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico ✓



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

December 21, 1973

Skelly Oil Company
Attention: Mr. C. J. Love
P.O. Box 1351
Midland, Texas 79701

Gentlemen:

Four approved copies of your 1974 plan of development and operation for the Lovington Paddock unit area, Lea County, New Mexico, proposing continuation of operations under the present waterflood pattern, are enclosed. Such plan was approved on this date subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil and Gas Supervisor

cc:

NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)
Hobbs (w/cy plan)

JAGillham:ds

OIL CONSERVATION COMMISSION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

January 17, 1974

3465

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. C. J. Love

Re: 1974 Plan of Development
Lovington Paddock Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Development for the calendar year 1974 for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

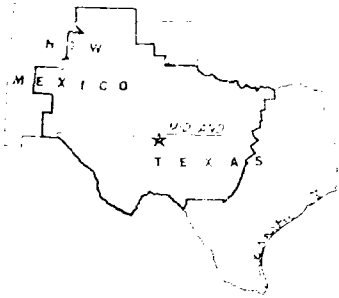
Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JFK/or

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell



SKELLY OIL COMPANY

November 5, 1973

EXPLORATION & PRODUCTION DEPARTMENT
WEST CENTRAL DISTRICT

A. B. CARY, EXPLORATION & PRODUCTION MANAGER
V. E. BARTLETT, EXPLORATION MANAGER
C. J. LOVE, PRODUCTION MANAGER
J. R. AVENT, ADMINISTRATIVE COORDINATOR

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: Lovington Paddock Unit
Lease No. 00308
Lea County, New Mexico

Re: Report of past operations and
plan of development and operation
for 1974.

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit in 1974.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Fifteen (15) additional wells have been converted to water injectors and presently water is being injected into the Unit through thirty-three (33) injection wells.

Conversion of six (6) producers to injectors during 1971, established several five-spot injection patterns which were observed for comparison and performance versus the originally employed inverted nine-spot.

Based on performance of the five-spot pattern configuration, three additional wells have been converted to injectors this year; Nos. 21, 23, and 61, creating additional five-spot patterns. At the present

time work is in progress to convert 5 more producers to injectors, these are Wells No. 19, 40, 42, 59, and 82. Conversion of these wells will provide for increased sweep efficiency and injection capacity. Following conversion of the 5 wells, the Lovington Paddock Unit will be fully expanded to a five-spot pattern arrangement with the exception of wells No. 25, 34, and 53 along the eastern boundary of the unit. Prior to conversion of these wells to injectors, Lease Line Agreements will have to be negotiated.

Work was completed this year whereby the working interest owners and Amoco approved a proposal for Amoco to reacquire the Lovington San Andres Unit well No. 52, complete it as a single producer in the Paddock zone, and tender it as a Paddock well in the Lovington Paddock Unit, in lieu of assessment cost to Amoco on Tract 21. This well is now designated as an injector during the last quarter of this year.

All produced water is being injected separately from the fresh water system, preventing any problems that might arise due to incompatibility. Sulphur dioxide is injected into the fresh water system for oxygen removal. Efforts are continuing toward increasing water injection rates into the unit.

There have been no major changes or revisions that would affect the producing system during this year. Repairs and replacement of lift equipment and producing facilities were made as dictated by production and well conditions.

Cumulative oil production from the Lovington Paddock Unit since unitization was 1,263,018 barrels to October 1, 1973. Current daily average oil producing rate is approximately 700 barrels per day. Daily water injection rate is presently 7,000 BPD at an average wellhead pressure of 2,100 psig. Cumulative water injection from unitization to October 1, 1973, was 16,728,024 barrels.

DEVELOPMENT PLANS FOR 1974

Plans for 1974 are to continue basically the same system of operation as this year. Performance of the five-spot pattern will be monitored and evaluated closely. A computer analyzed pattern analysis is scheduled to be made in the near future and steps will be taken to achieve optimum pattern balance and performance.

Plans are to conduct temperature surveys on all injection wells during the coming year. These will be analyzed and compared with past surveys and used as an aid in determining sweep efficiency and to detect other problems which might require additional investigation or possible remedial work.

Efforts are being directed toward finding a method to effectively stimulate the Paddock formation.

Lovington Paddock Unit
Page No. 3
November 5, 1973

Continuous monitoring of unit performance will be conducted during the coming year to assure that the waterflood is operating at maximum efficiency and optimum performance.

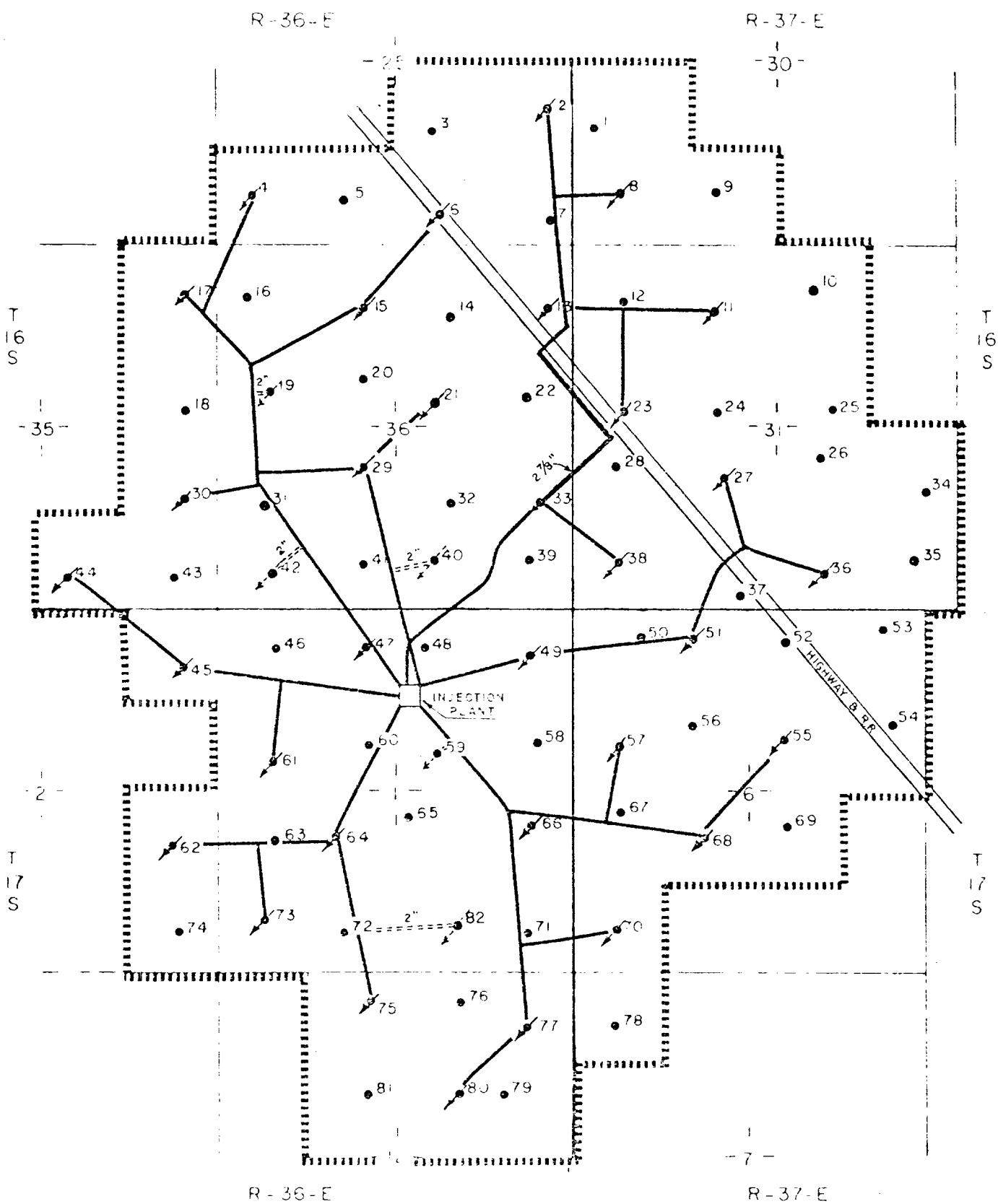
Very truly yours,

C. J. Love

C. J. Love, Chairman
Working Interest Owners' Committee

WTT/rc
Attach:

Approved: January 17 1974
Robert J. [unclear]
Secretary-Treasurer
NEW MEXICO CONSERVATION COMMISSION

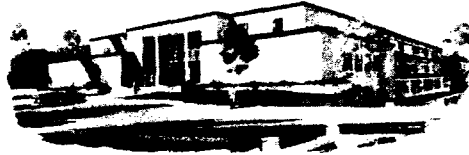


LOVINGTON PADDOCK UNIT LEA COUNTY, NEW MEXICO

State of New Mexico



ALEX J. ARMIJO
COMMISSIONER

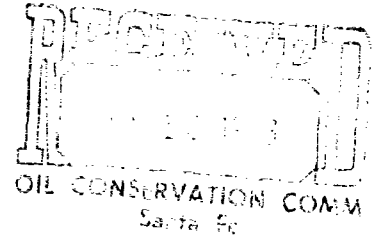


Commissioner of Public Lands

July 1, 1973

TELEPHONE

505-827-2748



P. O. Box 1148
SANTA FE, NEW MEXICO

Mr. C. J. Love,
P. O. Box 1351
Roswell, New Mexico 88201

Re: Expansion in line with plan
of Operations for 1973

ATTENTION: Mr. C. J. Love

Gentlemen:

The Commissioner of Public Lands has this date approved your supplement to the 1973 plan of development and operation, dated June 1, 1973, for the Lovington Paddock unit area, Lea County, New Mexico, which plan proposes to convert five producing wells to water injectors thereby expanding the five-spot waterflood pattern.

The United States Geological Survey approved your plan on June 20, 1973.

Your Three (\$3.00) Dollar filing fee has been received.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s

cc:

USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico



United States Department of the Interior

GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

June 20, 1973

Skelly Oil Company
Attention: Mr. C. J. Love
P.O. Box 1351
Midland, Texas 79701

Gentlemen:

One approved copy of your supplement to the 1973 plan of development and operation, dated June 8, 1973, for the Lovington Paddock unit area, Lea County, New Mexico, is enclosed. Such plan proposes to convert five producing wells to water injectors thereby expanding the five-spot waterflood pattern.

Approval of the supplement on this date is subject to like approval by the appropriate officials of the State of New Mexico.

Sincerely yours,

CARL C. TRAYWICK
Acting Area Oil & Gas Supervisor

cc:
Denver (w/cy plan)
Hobbs (w/cy plan)
- NMOCC, Santa Fe (ltr only)
Com. Pub. Lands, Santa Fe (ltr only)

JAGillham:ds

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 6, 1972

JE
5466

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. C. J. Love

Re: 1973 Plan of Development and Operations
Lovington Paddock Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the plan of development and operations for the year 1973 for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

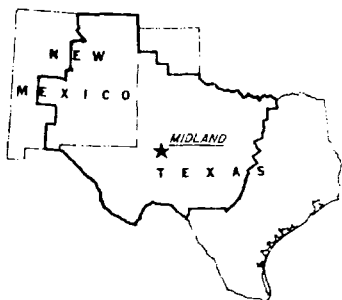
Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell, N. Mex.
Commissioner of Public Lands
Santa Fe, New Mexico



SKELLY OIL COMPANY

October 30, 1972

EXPLORATION & PRODUCTION DEPARTMENT
WEST CENTRAL DISTRICT

A. B. CARY, EXPLORATION & PRODUCTION MANAGER
V. E. BARTLETT, EXPLORATION MANAGER
C. J. LOVE, PRODUCTION MANAGER
J. R. AVENT, ADMINISTRATIVE COORDINATOR

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: Lovington Paddock Unit
Lease No. 00308
Lea County, New Mexico

Re: Report of past operations and
plan of development and operation
for 1973.

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit in 1973.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed during December, 1966, and injection was commenced into eighteen (18) wells. Twelve (12) additional wells have been converted to water injectors and presently water is being injected into the Unit through thirty (30) injection wells.

Conversion of six (6) producers to injectors during 1971, established several five-spot injection patterns which we have observed for comparison and performance versus the originally employed inverted nine-spot. To date performance has been encouraging from the new pattern arrangement. Plans are to convert three (3) additional wells to injectors

during the latter part of this year, which will create additional five-spot patterns. There were no major revisions or changes in 1972, which would affect the injection system. All produced water is being injected separately from the fresh water system preventing any problems that might arise due to incompatibility. Continued study toward increasing injection rates into the Lovington Paddock Unit is being made at this time.

Temperature surveys were ran on all injection wells during 1972. On wells where poor distribution of water or channeling was indicated, injection profiles were ran. Following these surveys several injection wells were squeezed to eliminate channeling and to achieve better distribution of injected water.

There were no major changes in the producing system on the Unit during 1972. Repairs and replacement of lift equipment and production facilities were made as directed by production and well conditions.

The Unit entered the third phase with third phase participation factors becoming effective July 1, 1972. Cumulative oil production from the Lovington Paddock Unit since unitization was 997,915 barrels to September 1, 1972. Current daily average oil producing rate is approximately 750 barrels per day. The daily water injection is presently 6,500 BPD at an average wellhead pressure of 2,100 psig. Cumulative water injection from unitization to October 1, 1972 was 14,229,077 barrels.

DEVELOPMENT PLANS FOR 1973

Plans for 1973, are to continue operating with the modified inverted nine-spot and five-spot patterns. If the five-spot pattern arrangement continues to perform effectively, we will recommend going to a full scale five-spot pattern arrangement.

Negotiations are currently underway to acquire a well from the Lovington San Andres Unit. This well will be recompleted as a Paddock producer. This proposal is in lieu of drilling a well which was proposed in our plan of operations for 1972. Following acquisition and completion of this well, all proration units on the Lovington Paddock Unit will be complete.

Continuous studies and monitoring of Unit performance will be conducted during the coming year to assure that the waterflood is operating at maximum efficiency and optimum performance.

Very truly yours,

SKELLY OIL COMPANY

Approved

[Signature]
Secretary-Director

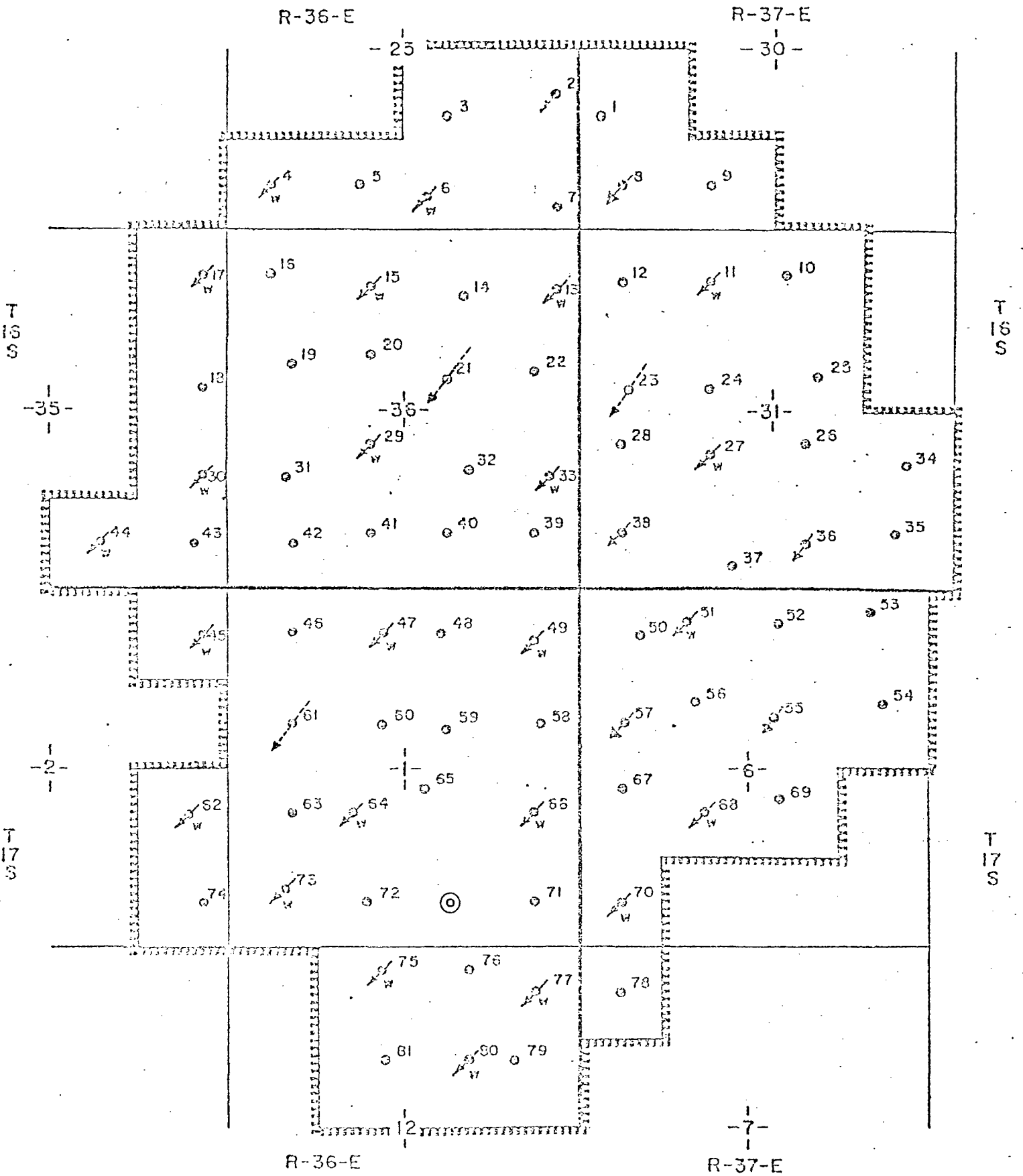
[Signature]

FILED IN 111 CONSERVATION AND PRODUCTION

[Signature]

C. J. Love, Chairman
Working Interest Owners Committee

WTT/rc
Attach.



LOVINGTON PADDOCK UNIT

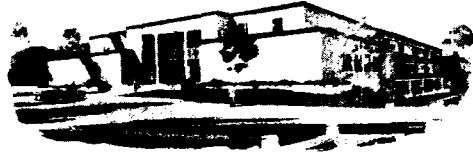
LEA COUNTY, NEW MEXICO

⊙ PROPOSED RECOMBINATION

➔ PROPOSED INJECTION WELL

State of New Mexico

TELEPHONE
505-827-2746



Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

November 14, 1972

P. O. Box 1148
SANTA FE, NEW MEXICO

Shelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Lovington Paddock Unit
PLAN OF DEVELOPMENT AND
OPERATIONS FOR 1973
Lea County, New Mexico

ATTENTION: Mr. C. J. Love

Gentlemen:

The Commissioner of Public Lands has this date approved your Plan of Development and Operation for the year 1973. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Enclosed is one approved copy for your files.

Please remit a three (\$3.00) Dollar filing fee.

Very truly yours,

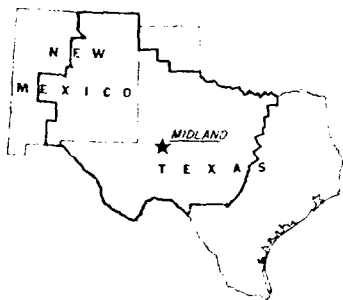
RAY D. GRAHAM, Director
Oil and Gas Department

AJA/PDG/s

encl.

cc:

OCC-Santa Fe, New Mexico
USGS-Roswell, New Mexico



SKELLY OIL COMPANY

July 26, 1972

EXPLORATION & PRODUCTION DEPARTMENT
WEST CENTRAL DISTRICT

A. B. CARY, EXPLORATION & PRODUCTION MANAGER
V. E. BARTLETT, EXPLORATION MANAGER
C. J. LOVE, PRODUCTION MANAGER
J. R. AVENT, ADMINISTRATIVE COORDINATOR

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: Lovington Paddock Lease General
Lease No. 00308
Lea County, New Mexico

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with the provisions of the Unit Agreement, the Lovington Paddock entered Phase III effective July 1, 1972.

Very truly yours,
SKELLY OIL COMPANY

C. J. Love
C. J. Love, Chairman
Working Interest Owners Committee

LF/bb

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 11, 1972

2466

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. C. J. Love

Re: 1972 Plan of Development and
Operation, Lovington Paddock
Unit, Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1972 Plan of Development and Operation for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe



IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Drawer 1857
Roswell, New Mexico 88201

RECEIVED
DEC 21 1971
OIL CONSERVATION DIVISION

December 21, 1971

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. C. J. Love

Gentlemen:

Your 1972 plan of development and operation, proposing to continue operations under the present waterflood pattern with the possible exception of drilling of one additional well for the Lovington Paddock unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Hobbs (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com. of Pub. Lands, Santa Fe (ltr. only)

State of New Mexico



RECEIVED
NOV 1 1971
OIL CONSERVATION COMMISSION

Commissioner of Public Lands

ALEX J. ARMIJO
COMMISSIONER

November 17, 1971

P. O. BOX 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Re: Lovington Paddock Unit
1972 Plan of Development
Lea County, New Mexico

ATTENTION: Mr. C. J. Love

Gentlemen:

The Commissioner of Public Lands has this date approved your 1972 Plan of Development dated November 2, 1971, for the Lovington Paddock Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Please remit a three (\$3.00) Dollar filing fee.

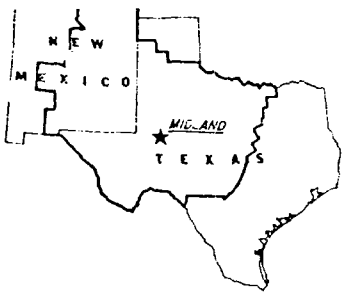
One approved copy is returned herewith.

Very truly yours,

RAY D. GRAHAM, Director
Oil and Gas Department

AJA/RDG/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico ✓



SKELLY OIL COMPANY RECEIVED

EXPLORATION & PRODUCTION DEPARTMENT
WEST CENTRAL DISTRICT

C. J. LOVE, PRODUCTION MANAGER
B. A. STRICKLING, OPERATIONS SUPERINTENDENT
F. J. PETRO, DISTRICT PRODUCTION ENGINEER
J. D. MCCLAIN, DISTRICT RESERVOIR ENGINEER
K. E. BOHRER, OUTSIDE OPERATIONS SUPERVISOR

November 2, 1971 NOV 16 1971

OIL CONSERVATION COMM
SANTA FE

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: Lovington Paddock Unit
Lease No. 00308
Lea County, New Mexico

Re: Report of Past Operations
And Plan of Development
And Operations for 1972.

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit in 1972.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed on December 15, 1966, and injection commenced into eighteen (18) wells. Permission to convert to injection was secured for wells No. 2, 25, 34, and 53 in addition to the eighteen; but injection was delayed pending suitable common boundary agreements. Wells No. 4, 6, 44, 70, 73, and 80 were converted to injection in February, 1968. Approval for conversion was secured for Well No. 8 along with the six above wells, but it was not converted because it is located on a tract which contains an unsigned royalty interest.

Producing Wells No. 2, 8, 36, 38, 55, and 57 were converted to water injectors during January of 1971. Conversion of these wells to injection established several five-spot injection patterns which will be observed for comparison and performance

Plan for Development and Operation
Lovington Paddock Unit
Page No. 2
November 2, 1971

versus the originally employed inverted nine-spot. There were no major revisions made during the year which would affect the injection system. Plans call for continued study toward increasing injection rates into the Lovington Paddock Unit injection wells.

There were no major changes in the producing system on the Unit during 1971. All produced water is being re-injected. Larger lift equipment and production facilities will be installed as dictated by production and well conditions.

Cumulative oil production from the Lovington Paddock, since unitization, is 819,438 barrels to October 1, 1971. Average daily oil producing rate was 652 barrels during September, 1971. The daily water injection rate is presently 7,591 barrels at 2064 psig, with a cumulative water injection since unitization of 11,652,367 barrels.

DEVELOPMENT PLANS FOR 1972

Plans are to continue operating with the modified inverted nine-spot and five-spot pilot patterns until performance and economics of the five-spot patterns can be analyzed and evaluated. If the five-spot pattern proves to be more effective, a recommendation will be made that we go to a full-scale five-spot injection pattern.

A well is scheduled to be drilled in the SW/4 of the SE/4 of Section 1, T-17-S, R-36-E when response to injection has occurred in the area around this location. This well is expected to be drilled during the first half of 1972.

Continuous studies and monitoring of Unit performance will be conducted during the coming year to assure that the waterflood is operating at maximum efficiency and optimum performance.

Very truly yours,

SKELLY OIL COMPANY

C. J. Love

C. J. Love, Chairman
Working Interest Owners Committee

WTT/mac
Attachment

Approved *January 11, 1972*

J. G. Bille
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION

THIS APPROVAL GRANTED SUBJECT TO LIKE APPROVAL
BEING GRANTED BY THE UNITED STATES GEOLOGICAL
SURVEY AND BY THE COMMISSIONER OF PUBLIC LANDS
OF THE STATE OF NEW MEXICO.

R-36-E

R-37-E

- 25 -

- 30 -

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16
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- 36 -

- 31 -

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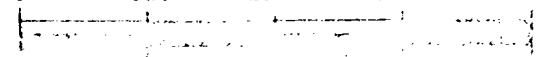
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R-36-E

R-37-E

LOVINGTON PADDOCK UNIT LEA COUNTY, NEW MEXICO

0 1320' 2640' 3960' 5280'



SCALE

ET

6-12-62



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Drawer 1857
Roswell, New Mexico 88201

IN REPLY REFER TO:

70 DEC 21 AM 8 31

December 18, 1970

3466

Skelly Oil Company
P.O. Box 1351
Midland, Texas 79701

Attention: Mr. P. L. Nunley

Gentlemen:

Your 1971 plan of development and operation, proposing to continue operations under the present waterflood pattern, for the Lovington Paddock unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SENT BY AIR MAIL)
CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Hobbs (w/cy of plan)
NMOCC, Santa Fe (ltr. only)
Com. of Pub. Lands, Santa Fe (ltr. only)

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

November 24, 1970

Shell Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. P. L. Nunley

Re: 1971 Plan of Development
Lovington Paddock Unit
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the Plan of Development and Operations during the calendar year 1971 for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey, Roswell, N. Mex.

Commissioner of Public Lands - Santa Fe, N. Mex.

NOV 9 1970

November 6, 1970

Shell Oil Company
P. O. Box 730
Roswell, New Mexico

Re: Lovington Padlock Unit
1971 Plan of Development
Lea County, New Mexico

ATTENTION: Mr. P. L. Munley

Gentlemen:

The Commissioner of Public Lands has this date approved your 1971 Plan of Development dated November 3, 1970, for the Lovington Padlock Unit, Lea County, New Mexico. This approval is subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

Please remit a three (\$3.00) Dollar filing fee.

One approved copy is returned herewith.

Sincerely yours,

GORDON G. MARCUM, II, Director
Oil and Gas Department

AJA/GGM/s

encl.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico

ILLEGIBLE



SKELLY OIL COMPANY

November 3, 1970

EXPLORATION & PRODUCTION DEPARTMENT
WEST CENTRAL DISTRICT

P. L. NUNLEY, PRODUCTION MANAGER
B. A. STRICKLING, OPERATIONS SUPERINTENDENT
C. J. LOVE, DISTRICT ENGINEER
F. J. PETRO, DISTRICT PRODUCTION ENGINEER
J. D. MCCLAIN, DISTRICT RESERVOIR ENGINEER

ADDRESS REPLY TO:
P. O. BOX 1351
MIDLAND, TEXAS 79701

File: Lovington Paddock Unit
Lease No. 00208
Lea County, New Mexico

Re: Report of Past Operations
And Plan of Development
And Operations for 1971.

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operations for the Unit in 1971.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed on December 15, 1966, and injection commenced into eighteen (18) wells. Permission to convert to injection was secured for Wells No. 2, 23, 34, and 23 in addition to the eighteen; but injection was delayed pending suitable common boundary agreements. Wells No. 4, 6, 44, 70, 73, and 80 were converted to injection in February, 1967. Approval for conversion was secured for Well No. 5 along with the six above wells, but it was not converted because it is located on a tract which contains an unsigned royalty interest. Commission approval was secured on July 17, 1970, for conversion to injection of Wells No. 36, 38, 55, and 57. This establishes five (5) fully enclosed 5-spot patterns for observation and comparison with the originally employed inverted 9-spot.

Lovington Paddock Unit
Operations & Development, 1970-1971
Page 2
November 3, 1970

The initial water injection rate was approximately 6900 BWPd at 1860 psig into eighteen (18) wells. The average injection rate for September, 1970, is 6665 BWPd through twenty-four (24) injection wells at 2300 psig. The produced water, 36,922 barrels in September, 1970, is being handled separately and is being injected into Wells No. 29, 44, 45, and 47. Wells No. 44, 45, and 47 were switched from make-up to produced water in July, 1970.

Response to injection is as follows: September, 1967 - 288 BOPD; December, 1967 - 353 BOPD; September, 1968 - 389 BOPD; August, 1969 - 401 BOPD; September, 1970 - 611 BOPD. Cumulative oil production to October 1, 1970, is 587,498 barrels since unitization.

DEVELOPMENT PLANS FOR 1971

Plans are to continue operating under the modified inverted 9-spot and 5-spot pilot patterns until the results of 5-spot injection become known and the comparative economics determined. A full 5-spot pattern may be recommended at that time. This could occur as early as the 4th quarter of 1970.

After the conversions presently in progress are completed, Wells No. 25, 34, and 53 of those approved by the Oil Conservation Commission will remain as producers. There are Unit edge wells that will require common boundary agreements to protect correlative rights. These wells will be converted when suitable boundary agreements are finalized.

A well is scheduled to be drilled in the SW/4 of SE/4 of Section 1, T-17-S, R-36-E, when response to injection has occurred in the area around this location. This well is expected to be drilled in 1971.

Very truly yours,

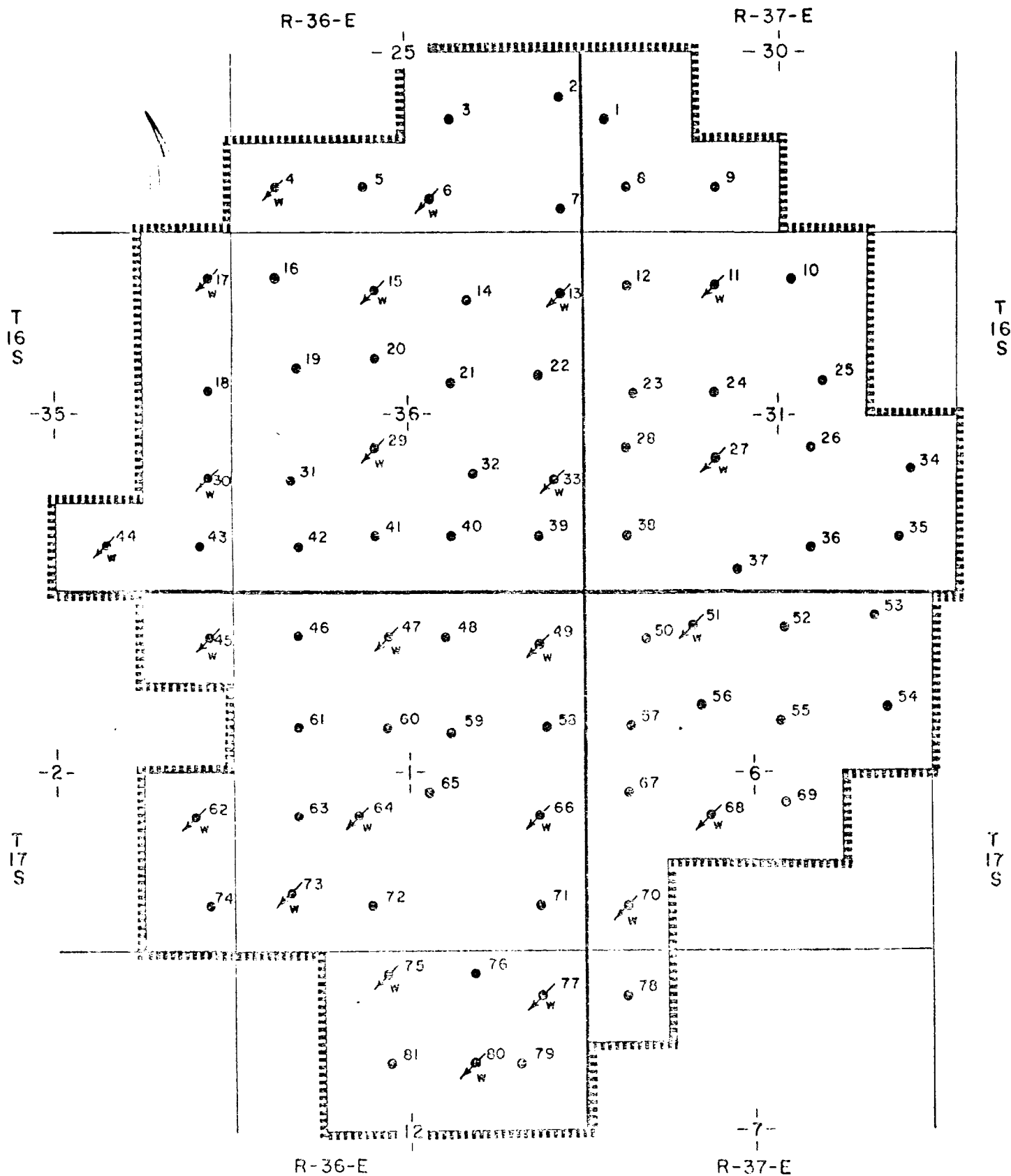


P. L. Nunley, Chairman
Working Interest Owners' Committee

BOB/sec
Attachment

Approved... *[Signature]* ...1970
[Signature]
Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION



LOVINGTON HADDOCK UNIT
LEA COUNTY, NEW MEXICO

0 1320' 2640' 3960' 5280'



5010

57
5-12-62

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

January 22, 1970

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. P. L. Nunley

Re: Plan of Development and Operation
Lovington Paddock Unit, Lea County,
New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1970 Plan of Operation and Development dated November 10, 1969, for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og
Enclosures

cc: United States Geological Survey
Roswell, New Mexico

Commissioner of Public Lands
Santa Fe, New Mexico

JAN 19 1970

Drawer 1857
Roswell, New Mexico 88201

January 15, 1970

Skelly Oil Company
P. O. Box 1351
Midland, Texas 79701

Attention: Mr. P. L. Nunley

Gentlemen:

Your 1970 plan of development and operation, proposing to continue operations under the present waterflood pattern, for the Lovington Paddock unit area, Lea County, New Mexico, has been approved on this date subject to like approval by the appropriate State officials.

Three approved copies of the plan are enclosed.

Sincerely yours,

(ORIG. SGD.) CARL C. TRAYWICK

CARL C. TRAYWICK
Acting Oil and Gas Supervisor

cc:
Washington (w/cy of plan)
Hobbs (w/cy of plan)
NMOCC, Santa Fe (ltr. only) ✓
Com of Pub. Lands, Santa Fe (ltr. only)

JAN 7 1970

January 5, 1970

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico

Re: Lovington Paddock Unit
Lea County, New Mexico

ATTENTION: Mr. V. E. Fletcher

Gentlemen:

The Commissioner of Public Lands has this date approved your 1970 Plan of Development dated November 10, 1970, for the captioned unit, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy is returned herewith.

Very truly yours,

Ted Bilberry, Director
Oil and Gas Department

TB/ML/s
encls.

cc: USGS-Roswell, New Mexico
OCC- Santa Fe, New Mexico



SKELLY OIL COMPANY

P. O. Box 1351 Midland, Texas 79701

November 10, 1969

Re: Lovington Paddock Unit
Lea County, New Mexico

Director (6)
United States Geological Survey
P. O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operation for the Unit in 1970.

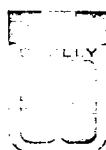
PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed on December 15, 1966 and injection started into eighteen (18) wells. Permission to convert to injection, in addition to these, was secured for Unit Wells Nos. 2, 25, 34, and 53; but injection is being delayed pending suitable property line agreements. Because of limited injection rate, approval to convert Unit Wells Nos. 4, 6, 8, 44, 70, 73, and 80 to injection was obtained in December 1967, and injection started February 6, 1968, into six wells. Conversion of Well No. 8 was deferred because of property line problems.

The initial water injection rate was approximately 6900 BWPD with injection pressure increasing rapidly to the plant pressure of 1860 psig. Cumulative injection to September 1, 1969, is 6,227,182 barrels. Daily average injection rate for August 1969, was 5875 BWPD at 1994 psig.

Only minimal response to injection has been noted to date. Production rate increase from 288 BOPD in September 1967, to 353 BOPD in December 1967, to 389 BOPD in September 1968, and to 401 BOPD in August 1969. Cumulative oil production since unitization to September 1, 1969, was 388,261 barrels.

CELEBRATING OUR



50th ANNIVERSARY

The producing system was centralized into a common storage facility, except Tracts 26 and 32, where unsigned royalty is still outstanding, with a LACT Unit and central gas sales connection. Seven satellite test stations were also installed to facilitate periodic testing of producing wells. Recycling of produced water was started into Unit Well No. 29 in December 1967.


DEVELOPMENT PLANS FOR 1970

Plans are to continue operations under the modified flood pattern into the twenty-four (24) wells now converted to injection service.

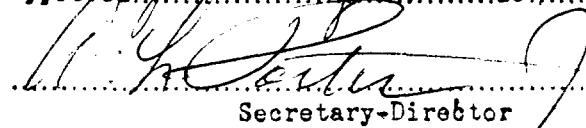
Conversion of the five (5) wells already approved for injection service will be effected as suitable property line agreements can be finalized. This should occur in 1970.

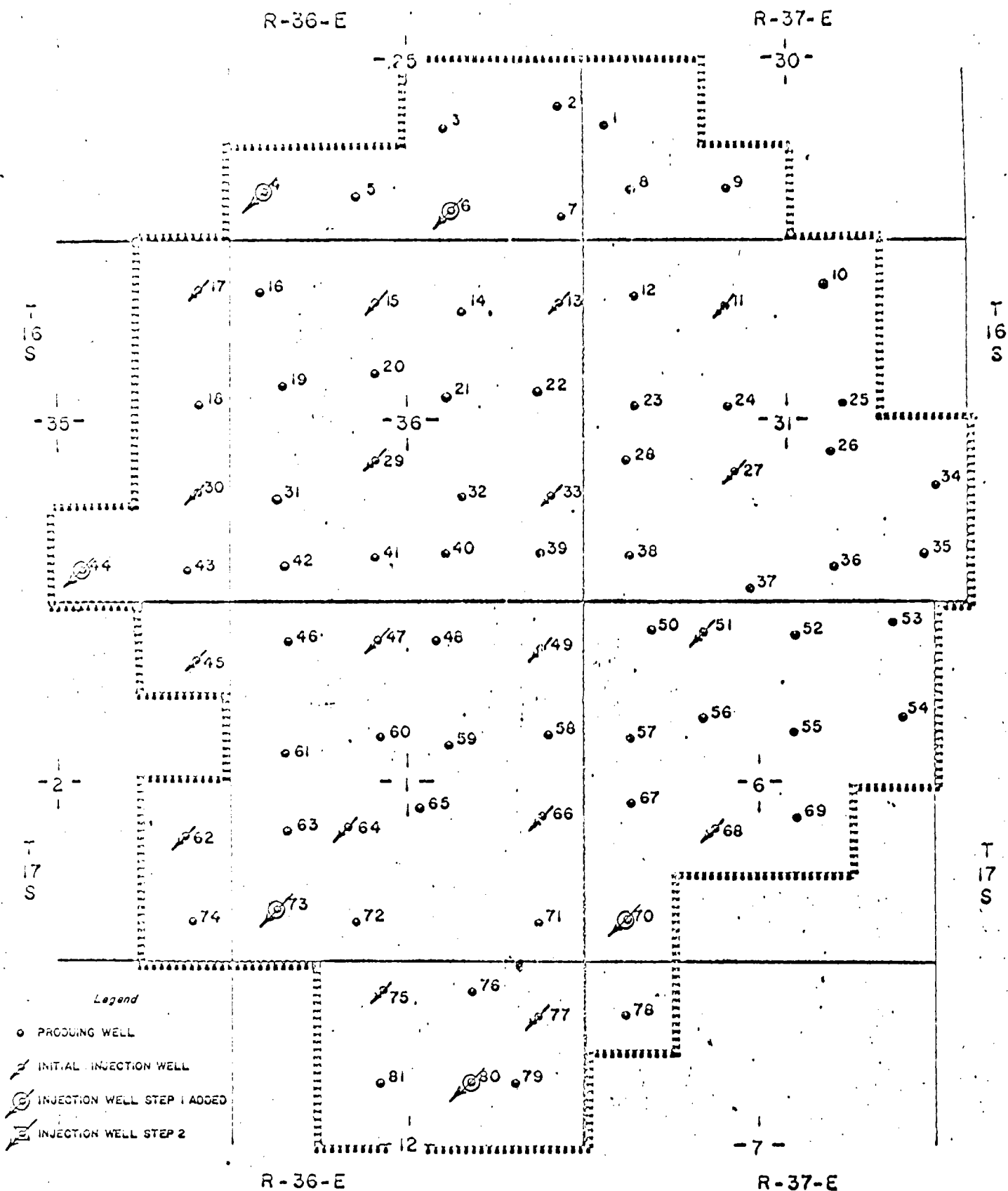
A producing well will be drilled in the SW/4 of SE/4 of Section 1, T 17 S, R 36 E when response to water injection is noted in the area around this proposed well. This could occur in 1970.

Very truly yours,
SKELLY OIL COMPANY


P. L. Nunley, Chairman
WORKING INTEREST OWNERS COMMITTEE

OVS/ljm

Approved January 22 19 70

Secretary-Director
NEW MEXICO OIL CONSERVATION COMMISSION



LOVINGTON PADDOCK UNIT LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

341

January 9, 1969

C
O
P
Y

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Mr. V. E. Fletcher

Re: Plan of Development
Lovington Paddock Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1969 Plan of Development dated November 25, 1968, for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

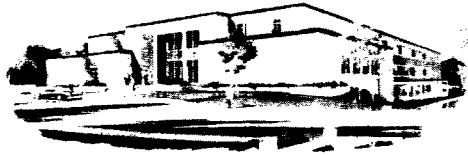
Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: United States Geological Survey - Roswell
Commissioner of Public Lands - Santa Fe

State of New Mexico



Commissioner of Public Lands

GUYTON B. HAYS
COMMISSIONER



December 9, 1968

P. O. BOX 1148
SANTA FE, NEW MEXICO

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Re: Lovington Paddock Unit
Lea County, New Mexico

ATTENTION: Mr. V. E. Fletcher

Gentlemen:

The Commissioner of Public Lands has this date approved your 1969 Plan of Development dated November 25, 1968, for the captioned unit, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy is returned herewith.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Malcolm L. Long, Supervisor
Unit Division

GBH/TE/HL/s
encl.

cc: USGS-Roswell, New Mexico
OCC-Santa Fe, New Mexico



SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico 88240

November 25, 1968

Re: Lovington Paddock Unit
Lea County, New Mexico

Director (6)
United States Geological Survey
P.O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operation for the Unit in 1969.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Water injection facilities were completed on December 15, 1966 and injection started into eighteen (18) wells. Permission to convert to injection, in addition to these, was secured for Unit Wells Nos. 2, 25, 34, and 53; but injection is being delayed pending suitable property line agreements. Because of limited injection rate, approval to convert Unit Wells Nos. 4, 6, 8, 44, 70, 73, and 80 to injection was obtained in December 1967 and injection started February 6, 1968 into six wells. Conversion of Well No. 8 was deferred because of property line problems.

The initial water injection rate was approximately 6900 BWPD with injection pressure increasing rapidly to the plant pressure of 1860 psig. Cumulative injection to October 1, 1968 is 4,175,918 barrels. Daily average injection rate for September 1968 was 6325 BWPD.

Only minimal response to injection has been noted to date. Production rate increase from 288 BOPD in September 1967 to 353 BOPD in December 1967, and to 389 BOPD in September 1968. Cumulative oil production since unitization to October 1, 1968 was 265,096 barrels.

Lovington Paddock Unit
Plan of Development and Operation

Page No. 2

The producing system was centralized into a common storage facility, except Tracts 26 and 32 where unsigned royalty is still outstanding, with a LACT Unit and central gas sales connection. Seven satellite test stations were also installed to facilitate periodic testing of producing wells. Recycling of produced water was started into Unit Well No. 29 in December 1967.

DEVELOPMENT PLANS FOR 1969

Plans are to continue operations under the modified flood pattern into the twenty-four (24) wells now converted to injection service.

Conversion of the five (5) wells already approved for injection service will be effected as suitable property line agreements can be finalized. This could occur in 1969.

A producing well will be drilled in the SW/4 of SE/4 of Section 1, T 17 S, R 36 E when response to water injection is noted in the area around this proposed well. This could occur in 1969.

Yours very truly,
SKELLY OIL COMPANY

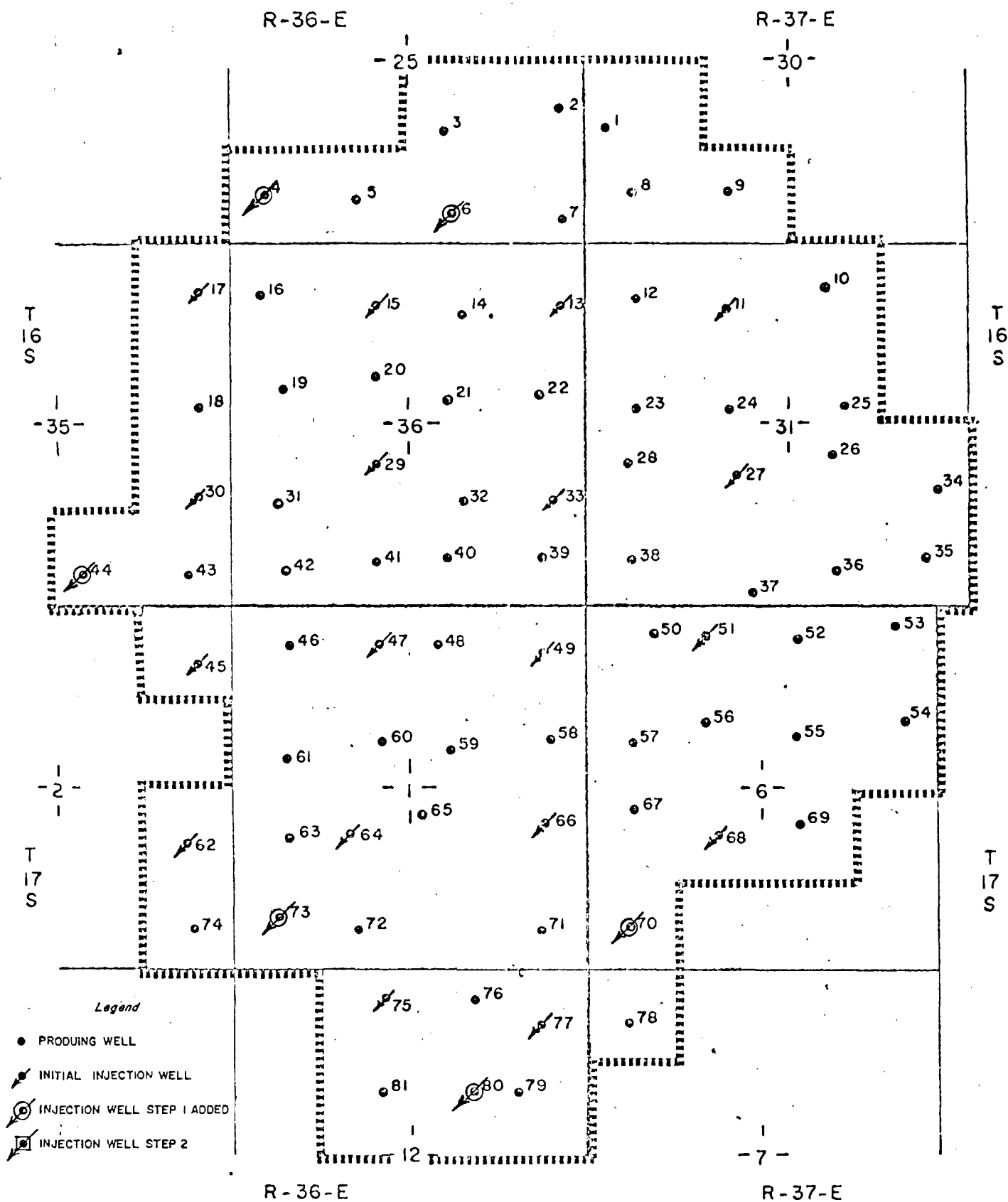


V. E. Fletcher, Chairman
WORKING INTEREST OWNERS COMMITTEE

Approved January 9, 1969


Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION



LOVINGTON PADDOCK UNIT LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO 87501

246

January 4, 1968

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico

Attention: Mr. V. E. Fletcher

Re: 1968 Plan for Development
Lovington Paddock Unit,
Lea County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1968 Plan of Development dated November 16, 1967, for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

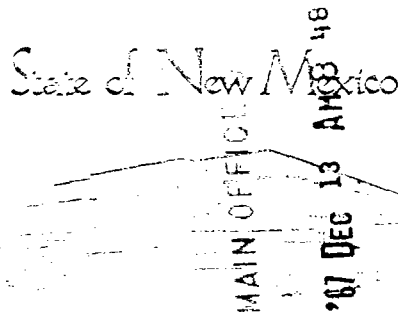
Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/og

cc: Commissioner of Public Lands - Santa Fe
United States Geological Survey - Roswell

ILLEGIBLE



Commissioner of Public Lands

CUYTON B. HAYS
COMMISSIONER

P. O. BOX 1148
SANTA FE, NEW MEXICO

December 12, 1967

Shively Oil Company
P. O. Box 730
Tosha, New Mexico

Re: Movington Paddock Unit
Lea County, New Mexico
1968 Plan of Development

ATTENTION: Mr. V. E. Fletcher

Gentlemen:

The Commissioner of Public Lands has this date approved your 1968 Plan of Development dated November 16, 1967, for the captioned unit, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy is returned herewith.

Very truly yours,

CUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Eddie Lopez, Supervisor
Unit Division

CMB/CR/RL/s
encl. 1

cc. USGS-Roswell, New Mexico
CCC- Santa Fe, New Mexico



SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico

November 16, 1967

Re: Lovington Paddock Unit
Lea County, New Mexico

Director (6)
United States Geological Survey
P.O. Drawer 1857
Roswell, New Mexico 88201

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico 87501

Oil Conservation Commission (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operation for the Unit in 1968.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. The water injection facilities were completed and water injection commenced on December 15, 1966. Water injection has continued into Unit Wells No. 11, 13, 15, 17, 27, 29, 30, 33, 45, 47, 49, 51, 62, 64, 66, 68, 75, and 77. Permission to convert to injection, in addition to these, was secured for Wells No. 2, 25, 34, 53, but injection is being delayed pending suitable property line agreements. The initial injection rate was about 6,900 barrels per day. Currently, it is about 5,400 barrels, with the plant pressure being maintained at 1860 psig. Cumulative injection to October 1, 1967 is 1,858,463 barrels.

No response to injection has occurred anywhere in the Unit. The daily oil production during September 1967 averaged 288 barrels per day. The cumulative oil production since project date to October 1, 1967 is 137,038 barrels.

The producing system has been centralized into a common storage, except tracts 26 and 32 where unsigned royalty is still outstanding, with a LACT unit, and central gas sales connection. Seven test satellite stations were installed which include metering treaters and headers. This enables periodic testing of all of the producing wells.

The current status is as follows:

Lovington Paddock Unit
Plan of Development and Operation

Page No. 2

Number of Producing Wells	63
Number of Injection Wells	18
Number of Shut-in Wells	<u>0</u>
TOTAL	81

DEVELOPMENT PLANS FOR REMAINDER OF 1967

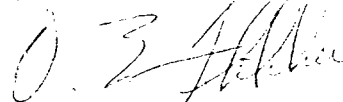
Plans have been made to dispose of the produced water by recycling into Unit Well No. 29. This will be completed during 1967.

Plans have been made and approved to convert Unit Wells No. 4, 6, 8, 44, 70, 73, and 80 to injection. A hearing before the Oil Conservation Commission is scheduled for November 29, 1967. We expect these conversions to be completed in December of 1967.

DEVELOPMENT PLANS FOR 1968

Operations of the Lovington Paddock Unit are expected to proceed by continuing the water injection operations on the modified pattern in 1968. A producing well will be drilled in the SWSE of Section 1, T17S, R36E when response to water injection is noted in the area around the proposed well. This well may be drilled during 1968.

Yours very truly,
SKELLY OIL COMPANY



V. E. Fletcher, Chairman
Working Interest Owners Committee

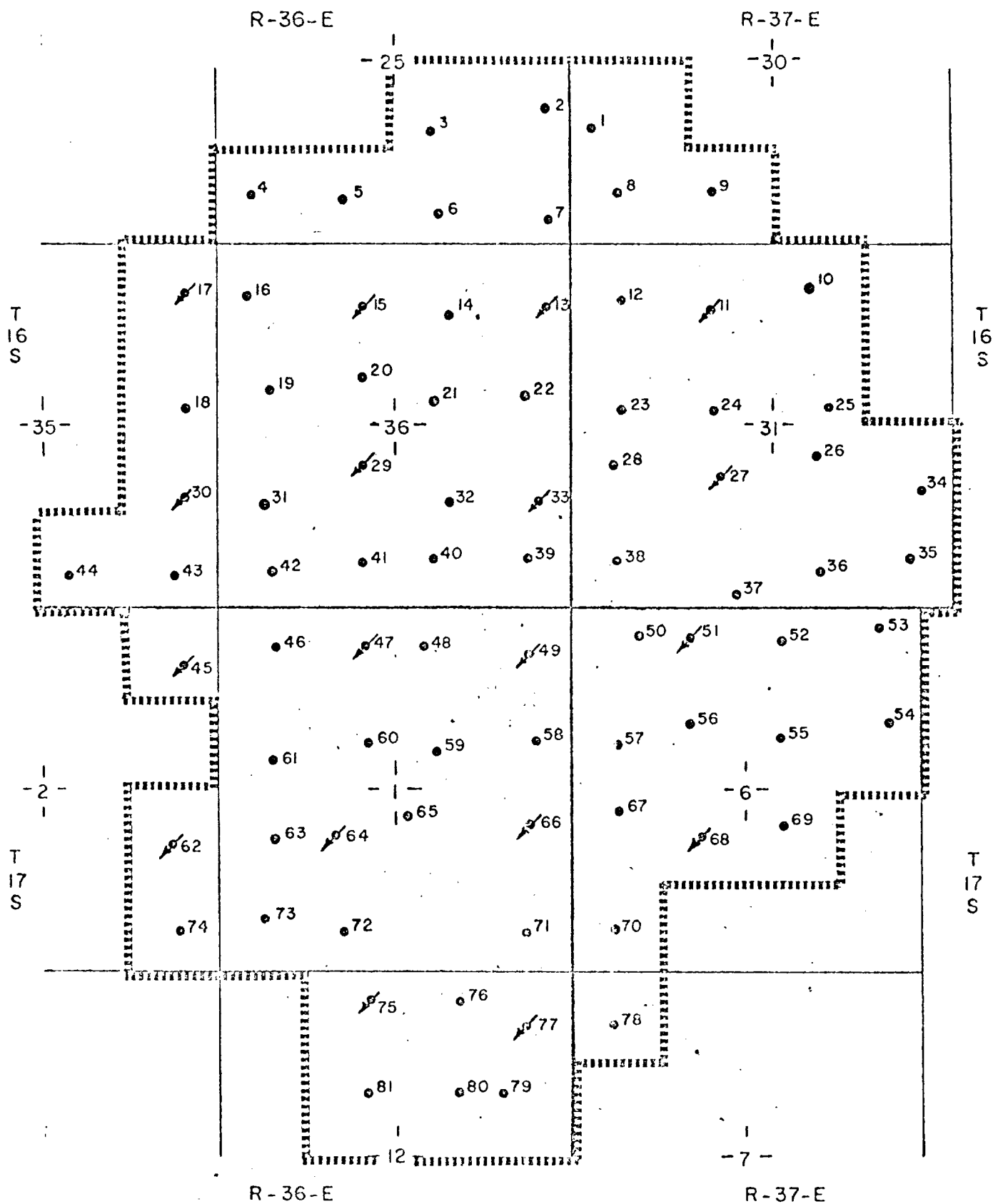
BOB/bh

Approved.....Jan 4.....1968



Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION



LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'



3466

SKELLY OIL COMPANY

TULSA, OKLAHOMA 74102

PRODUCTION DEPARTMENT

October 11, 1966

C. L. BLACKSHER, VICE PRESIDENT

W. P. WHITMORE, MGR. PRODUCTION

W. D. CARSON, MGR. TECHNICAL SERVICES

ROBERT G. HILTZ, MGR. JOINT OPERATIONS

GEORGE W. SELINGER, MGR. CONSERVATION

File: Lovington Paddock Unit
Lea County, New Mexico

3 Oct 24 1966

Mr. A. L. Porter
Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico 87501

Dear Sir:

The Commission by Order No. R-3122 in Case No. 3466 approved the Lovington Paddock Unit on September 30, 1966, and it went into effect on October 1, 1966.

We are attaching two copies of a list showing the Unit well numbers, former operators and former lease and well numbers.

Yours very truly,

SE:bl

Attach. (2)

cc: Mr. H. E. Aab

OPERATOR - SKELLY OIL COMPANY
LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

Page 1

<u>Unit</u> <u>Well No.</u>	<u>Former Operator</u>	<u>Former Lease and Well Number</u>
1	Tenneco	State "Q" No. 1
2	Mobil	State "K" No. 4
3	Mobil	State "K" No. 5
4	Skelly	State "Y" No. 4
5	Skelly	State "Y" No. 3
6	Skelly	State "Y" No. 2
7	Skelly	Mexico "C" No. 2
8	Texaco	Mary Graham No. 2
9	Texaco	Mary Graham No. 4
10	Skelly	State "O" No. 22
11	Texaco	Mary Graham No. 3
12	Texaco	Mary Graham No. 1
13	Skelly	State "N" No. 3
14	Skelly	State "N" No. 4
15	Skelly	State "R" No. 10
16	Skelly	State "R" No. 12
17	Skelly	Mexico "Y" No. 1
18	Cities Service	State "AE" No. 6
19	Skelly	State "R" No. 11
20	Skelly	State "R" No. 9
21	Mobil	State "Q" No. 5
22	Mobil	State "Q" No. 4
23	Skelly	C. P. Webb No. 1
24	Skelly	State "O" No. 17
25	Skelly	State "O" No. 24
26	Skelly	State "O" No. 18
27	Sinclair	State 182-A No. 5
28	Skelly	State "O" No. 15
29	Skelly	State "R" No. 8
30	Cities Service	State "AE" No. 3
31	Cities Service	State "AE" No. 4
32	Tidewater	State "M" No. 5
33	Tidewater	State "M" No. 4
34	Skelly	State "O" No. 20
35	Skelly	State "O" No. 21
36	Skelly	State "O" No. 19
37	Sinclair	State 182-A No. 6
38	Skelly	State "O" No. 16
39	Skelly	State "Q" No. 5
40	Skelly	State "Q" No. 6
41	Skelly	State "R" No. 7
42	Cities Service	State "AE" No. 5
43	Skelly	State "S" No. 3
44	Phillips	Lovington No. 2
45	Lee Drilling Company	State "E" No. 5
46	Lee Drilling Company	State "E" No. 3
47	Lee Drilling Company	State "E" No. 1
48	Amerada	State "IA" No. 17
49	Amerada	State "IA" No. 16
50	Sunray	M. E. Caylor No. 5

OPERATOR - SKELLY OIL COMPANY
LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

Page 2

<u>Unit</u> <u>Well No.</u>	<u>Former Operator</u>	<u>Former Lease and Well Number</u>
51	Ashland	C. S. Caylor No. 5
52	Skelly	C. S. Caylor No. 6
53	Skelly	C. S. Caylor No. 5
54	Skelly	C. S. Caylor No. 8
55	Skelly	C. S. Caylor No. 7
56	Ashland	C. S. Caylor No. 6
57	Sunray	M. E. Caylor No. 4
58	Amerada	State "LA" No. 19
59	Amerada	State "LA" No. 18
60	Lee Drilling Co.	State "E" No. 2
61	Lee Drilling Co.	State "E" No. 4
62	Mobil	State "R" No. 12
63	Amerada	State "LA" No. 14
64	Amerada	State "LA" No. 20
65	Mobil	State "R" No. 11
66	Mobil	State "R" No. 10
67	Pan American	A. Z. Caylor No. 2
68	Skelly	M. E. Caylor No. 2
69	Tidewater	T. E. Wright No. 1
70	Skelly	M. E. Caylor No. 1
71	W. D. McBee	State "B" No. 1
72	Amerada	State "LA" No. 13
73	Amerada	State "LA" No. 15
74	Mobil	State "R" No. 13
75	Cities Service	State "AJ" No. 1
76	W. C. McBee	State "A" No. 3
77	W. D. McBee	State "A" No. 2
78	Phillips	Kimbrough No. 1
79	Amerada	State "LB" No. 1
80	W. D. McBee	State "A" No. 4
81	Amerada	State "LB" No. 2

OPERATOR - SKELLY OIL COMPANY
LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

Page 1

<u>Unit</u> <u>Well No.</u>	<u>Former Operator</u>	<u>Former Lease and Well Number</u>
1	Tenneco	State "Q" No. 1
2	Mobil	State "K" No. 4
3	Mobil	State "K" No. 5
4	Skelly	State "Y" No. 4
5	Skelly	State "Y" No. 3
6	Skelly	State "Y" No. 2
7	Skelly	Mexico "C" No. 2
8	Texaco	Mary Graham No. 2
9	Texaco	Mary Graham No. 4
10	Skelly	State "O" No. 22
11	Texaco	Mary Graham No. 3
12	Texaco	Mary Graham No. 1
13	Skelly	State "N" No. 3
14	Skelly	State "N" No. 4
15	Skelly	State "R" No. 10
16	Skelly	State "R" No. 12
17	Skelly	Mexico "Y" No. 1
18	Cities Service	State "AE" No. 6
19	Skelly	State "R" No. 11
20	Skelly	State "R" No. 9
21	Mobil	State "Q" No. 5
22	Mobil	State "Q" No. 4
23	Skelly	C. P. Webb No. 1
24	Skelly	State "O" No. 17
25	Skelly	State "O" No. 24
26	Skelly	State "O" No. 18
27	Sinclair	State 182-A No. 5
28	Skelly	State "O" No. 15
29	Skelly	State "R" No. 8
30	Cities Service	State "AE" No. 3
31	Cities Service	State "AE" No. 4
32	Tidewater	State "M" No. 5
33	Tidewater	State "M" No. 4
34	Skelly	State "O" No. 20
35	Skelly	State "O" No. 21
36	Skelly	State "O" No. 19
37	Sinclair	State 182-A No. 6
38	Skelly	State "O" No. 16
39	Skelly	State "Q" No. 5
40	Skelly	State "Q" No. 6
41	Skelly	State "R" No. 7
42	Cities Service	State "AE" No. 5
43	Skelly	State "S" No. 3
44	Phillips	Lovington No. 2
45	Lee Drilling Company	State "E" No. 5
46	Lee Drilling Company	State "E" No. 3
47	Lee Drilling Company	State "E" No. 1
48	Amerada	State "IA" No. 17
49	Amerada	State "LA" No. 16
50	Sunray	M. E. Caylor No. 5

OPERATOR - SKELLY OIL COMPANY
LOVINGTON PADDOCK UNIT
LEA COUNTY, NEW MEXICO

Page 2

<u>Unit</u> <u>Well No.</u>	<u>Former Operator</u>	<u>Former Lease and Well Number</u>
51	Ashland	C. S. Caylor No. 5
52	Skelly	C. S. Caylor No. 6
53	Skelly	C. S. Caylor No. 5
54	Skelly	C. S. Caylor No. 8
55	Skelly	C. S. Caylor No. 7
56	Ashland	C. S. Caylor No. 6
57	Sunray	M. E. Caylor No. 4
58	Amerada	State "LA" No. 19
59	Amerada	State "LA" No. 18
60	Lee Drilling Co.	State "E" No. 2
61	Lee Drilling Co.	State "E" No. 4
62	Mobil	State "R" No. 12
63	Amerada	State "LA" No. 14
64	Amerada	State "LA" No. 20
65	Mobil	State "R" No. 11
66	Mobil	State "R" No. 10
67	Pan American	A. Z. Caylor No. 2
68	Skelly	M. E. Caylor No. 2
69	Tidewater	T. E. Wright No. 1
70	Skelly	M. E. Caylor No. 1
71	W. D. McBee	State "B" No. 1
72	Amerada	State "LA" No. 13
73	Amerada	State "LA" No. 15
74	Mobil	State "R" No. 13
75	Cities Service	State "AJ" No. 1
76	W. C. McBee	State "A" No. 3
77	W. D. McBee	State "A" No. 2
78	Phillips	Kimbrough No. 1
79	Amerada	State "LB" No. 1
80	W. D. McBee	State "A" No. 4
81	Amerada	State "LB" No. 2

GOVERNOR
JACK M. CAMPBELL
CHAIRMAN

State of New Mexico
Oil Conservation Commission



LAND COMMISSIONER
GUYTON B. HAYS
MEMBER

STATE GEOLOGIST
A. L. PORTER, JR.
SECRETARY - DIRECTOR

P. O. BOX 2088
SANTA FE

September 30, 1966

Mr. Ronald Jacobs
Skelly Oil Company
Post Office Box 1650
Tulsa, Oklahoma

Re: Case No. 3466
Order No. R-3122
Applicant:

SKELLY OIL COMPANY

Dear Sir:

Enclosed herewith are two copies of the above-referenced Commission order recently entered in the subject case.

Very truly yours,

A. L. Porter, Jr.
A. L. PORTER, Jr.
Secretary-Director

ir/

Carbon copy of order also sent to:

Hobbs OCC x

Artesia OCC

Aztec OCC

OTHER Mrs. Marian Rhea

OIL CONSERVATION COMMISSION

P. O. BOX 2088

SANTA FE, NEW MEXICO

3466

April 27, 1967

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico 88240

Attention: Mr. H. E. Aab

Re: 1967 Plan of Development
Lovington Paddock Unit, Lea
County, New Mexico

Gentlemen:

This is to advise that the New Mexico Oil Conservation Commission has this date approved the 1967 Plan of Development dated November 8, 1966, for the Lovington Paddock Unit, Lea County, New Mexico, subject to like approval by the United States Geological Survey and the Commissioner of Public Lands of the State of New Mexico.

Two approved copies of the plan are returned herewith.

Very truly yours,

A. L. PORTER, Jr.
Secretary-Director

ALP/JEK/esr

Enclosures

cc: Commissioner of Public Lands
Santa Fe, New Mexico

United States Geological Survey
Roswell, New Mexico

February 13, 1967

Skelly Oil Company
P. O. Box 730
Hobbs, New Mexico

Re: Lovington Paddock Unit
Lea County, New Mexico

ATTENTION: Mr. H. E. Aab

Gentlemen:

The Commissioner of Public Lands has this date approved your 1967 Plan of Development for the captioned unit, subject to like approval by the United States Geological Survey and the Oil Conservation Commission.

One approved copy of the plan is enclosed.

Very truly yours,

GUYTON B. HAYS
COMMISSIONER OF PUBLIC LANDS

BY:
Ted Bilberry, Director
Oil and Gas Department

GBH/MMR/s
encl. 1.

cc: United States Geological Survey
Roswell, New Mexico

New Mexico Oil Conservation Commission
Santa Fe, New Mexico



SKELLY OIL COMPANY

P.O. Box 730, Hobbs, New Mexico
November 8, 1966

Re: Lovington Paddock Unit
Lea County, New Mexico

Director (6)
United States Geological Survey
P.O. Drawer 1857
Roswell, New Mexico

Commissioner of Public Lands (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

Oil Conservation Commission of (3)
The State of New Mexico
Capitol Annex Building
Santa Fe, New Mexico

All Working Interest Owners

Gentlemen:

In accordance with Section 12 of the Unit Agreement for the development and operation of the Lovington Paddock Unit, Lea County, New Mexico, Skelly Oil Company respectfully submits for your approval a report of past operations and a plan of development and operation for the Unit in 1967.

PAST OPERATIONS

The Lovington Paddock Unit became effective October 1, 1966. Estimates, specifications, and plans have been prepared for the construction of the water injection plant and injection system.

DEVELOPMENT PLANS FOR REMAINDER 1966

Plans are to install a water injection plant and injection system piping for the Unit in the remainder of 1966. Initially eighteen (18) wells will be converted to injection service. These wells are Unit Well Nos. 11, 13, 15, 17, 27, 29, 30, 33, 45, 47, 49, 51, 62, 64, 66, 68, 75, and 77. Conversion of Unit Well No. 2 and three other wells on the East (Well Nos. 25, 34, and 53) will be delayed until lease line agreements can be made for protection of correlative rights across the lease lines.

DEVELOPMENT PLANS FOR 1967

Operation of the Lovington Paddock Unit will proceed by continuing the water injection operations in 1967. A producing well will be drilled in the SW SE of Section 1, T17S, R36E when a response to water injection is noted in the area of the proposed well. If response to injection occurs in 1967, it is probable that the well will be drilled during 1967.

Lovington Paddock Unit
Development and Operation

Page No. 2

Present plans are to install a central tank battery, LACT unit, and test satellite stations for the Unit; however, no time schedule has been set for these producing facilities. It is possible that these facilities could be installed in 1967.

Yours very truly,
SKELLY OIL COMPANY



H. E. Aab, Chairman,
Working Interest Owners Committee

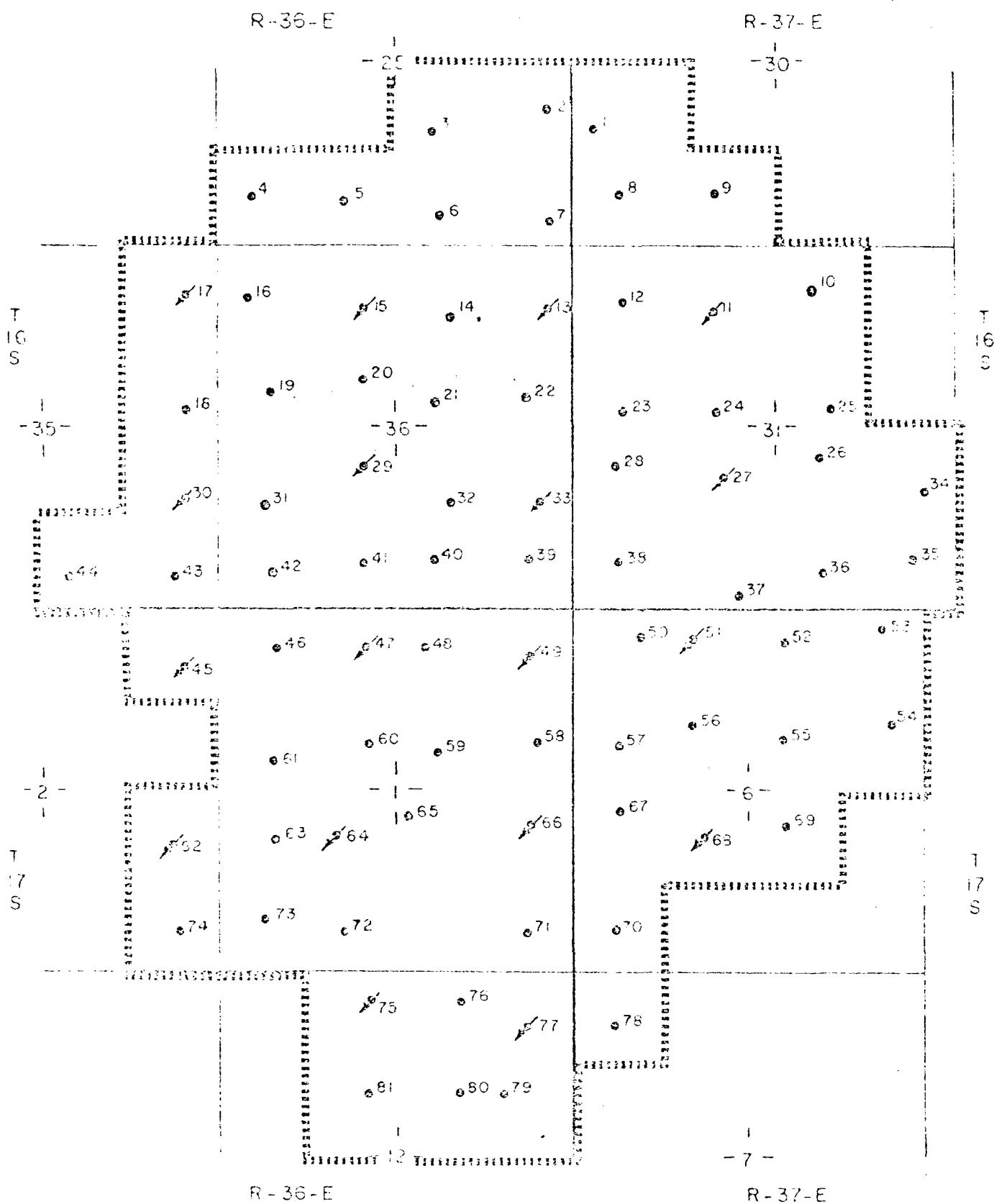
LRH/bh

Approved.....April 27.....1967



Secretary-Director

NEW MEXICO OIL CONSERVATION COMMISSION



LOVRISTON HADDOCK UNIT
LEA COUNTY, NEW MEXICO

SCALE 1" = 2000'

WHITE, GILBERT, KOCH & KELLY

(GILBERT, WHITE AND GILBERT)

ATTORNEYS AND COUNSELORS AT LAW

LINCOLN BUILDING

SANTA FE, NEW MEXICO

CARL H. GILBERT 1891-1963.

L. C. WHITE

WILLIAM W. GILBERT

SUMNER S. KOCH

WILLIAM BOOKER KELLY

JOHN F. MCCARTHY, JR.

August 26, 1966

POST OFFICE BOX 787

TELEPHONE 982-4301

(AREA CODE 505)

Use 3466

New Mexico Oil Conservation Commission
P. O. Box 2088
Santa Fe, New Mexico

Re: Skelly Oil Company Application
Lovington Paddock Pool

Gentlemen:

Please enter our appearance as local counsel for Skelly Oil Company in their application for authority to inject fluid for secondary recovery in the Lovington Paddock Unit, Lea County, New Mexico. I understand this application will come on for hearing on September 21, 1966.

Very truly yours,

L. C. White

L. C. WHITE

66 AUG 29 AM 7 5

LCW:el

CC: Mr. George Selinger

*Noted George Kelly
& advised him
that hearing will
be on Sept. 28th*

8-29-66

SK

DOCKET MAILED

Date 9-15-66