



GREENHILL PETROLEUM CORPORATION

12777 JONES ROAD, SUITE 375
HOUSTON, TEXAS 77070
TELEPHONE (713) 955-1146
FAX (713) 955-5105

Incorporated in Delaware, U.S.A.

September 5, 1990

1185' FNL - 152' FBL

A-2-175-36E

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

OK

SEP 17 AM 9 07

Oil Conservation Division

Attn: Mike Stogner

Re: Lovington San Andres Unit Area
Lea County, New Mexico

Greenhill Petroleum Corporation has requested a drilling permit covering Well Numbers 62, 63, 64, 65, 66, 67, and 68 on a 20 acre infill density in the Lovington San Andres Unit. Well Numbers 62, 63, 65 and 66 are in the forty acre units which are on the perimeter of the unit. Greenhill is the operator of the Lovington Paddock Unit which is the acreage offsetting these tracts. Therefore, all offset operators have been notified.

Respectfully yours,

GREENHILL PETROLEUM CORPORATION

Michael J. Newport
Landman

MJN:ntd
Enclosures
LSA022



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Santa Fe, New Mexico 87504-2088

Attn: Mike Stogner

Re: Unorthodox Location and Drilling Permit
Proposed Well No. 62
Lovington San Andres Unit
Lea County, New Mexico

Greenhill Petroleum Corporation respectfully requests the State of New Mexico Oil Conservation Division grant approval of the proposed unorthodox location and the attached permit to drill Well Number 62 in the Lovington San Andres Unit, located in Lea County, New Mexico.

The Lovington San Andres Unit is presently developed and being water-flooded utilizing a 40-acre well density. It is believed that infill development using a 20-acre well density will improve water-flood sweep efficiency and will increase secondary oil recovery. The proposed location for Well Number 62 is located in the interior of the unit and is not competitive with offset wells outside the unit. Information gathered as a result of drilling this infill well will be utilized in evaluating additional infill development potential in the unit and ultimately may be used to evaluate the feasibility of tertiary recovery.

GREENHILL PETROLEUM CORPORATION

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

Respectfully yours,

GREENHILL PETROLEUM CORPORATION

A handwritten signature in black ink, appearing to read "Michael J. Newport". The signature is written in a cursive style with a large initial "M".

Michael J. Newport
Landman

MJN:ntd
Enclosures
WLU060