



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

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

Attn: Mike Stogner

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

1244' FNL - 8592' FEE

B-36-165-36E

SEP 17

PM 9 07

*Refer to
have an offset
to the NW.*

RECEIVED
OIL CONSERVATION
DIVISION

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

Michael J. Newport
Landman

MJN:ntd
Enclosures
LSA022



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September 5, 1990

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

Attn: Mike Stogner

Re: Unorthodox Location and Drilling Permit
Proposed Well No. 66
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 66 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 66 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 cursive script, appearing to read "Michael J. Newport".

Michael J. Newport
Landman

MJN:ntd
Enclosures
WLU060



GREENHILL PETROLEUM CORPORATION

Incorporated in Delaware, U.S.A.

OIL CONSERVATION DIVISION

RECEIVED

'90 OCT 29 AM 9 52

12777 JONES ROAD, SUITE 375
HOUSTON, TEXAS 77070
TELEPHONE (713) 955-1146
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October 23, 1990

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

Attn: Mike Stogner

Re: Lovington San Andres Unit Area
Well # 66
Lea County, New Mexico

Enclosed please find a copy of the letter which was sent to Texaco, notifying them of our proposed unorthodox location for Well No. 66. I am also enclosing a plot summarizing their position. Oxy is the only operator we are required to notify of our unorthodox location. This will supplement the C-101 and C-102 I sent to the Hobbs office on 9-19-90.

Sincerely,

Michael J. Newport
Landman

MJN:JB
Enclosures

cc: Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240



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October 17, 1990

Texaco
Department Western E & P
1670 Broadway, Rm 577
Denver, Colorado 80202

Attn: David Sleeper

Re: Lovington San Andres Uni
Well No. 66
Lea County, New Mexico

P 172 380 145
DENVER COLORADO 80202
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

Sent to	TEXACO
Street and No.	1670 Broadway
P.O., State and ZIP Code	80202
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	70/10/1990

PS Form 3800, Feb. 1982 * U.S.G.P.O. 1984-446-014

This letter is to hereby notify you that Greenhill Petroleum will be drilling Well No. 66 to a depth of 5100' to test the San Andres formation, 1244 FNL and 2592 FEL in Section 36, T16S-R36E, Lea County, New Mexico, within our Lovington San Andres Unit. We are obligated by the New Mexico Oil Conservation Commission to notify all offset operators, that we are applying for an unorthodox location within our Lovington San Andres waterflood unit. An unorthodox location means that we are drilling the proposed well on twenty-acre spacing instead of 40-acre spacing.

Please sign and return immediately to the above address in the event you do not object to our proposed well.

Very truly yours,

Michael J. Newport
Michael J. Newport
Landman

MJN:JB
Enclosure

Agreed to and accepted this ____ day of _____, 1990.

Texaco

By: _____



OIL CONSERVATION DIVISION
RENEWED ENERGY

GARREY CARRUTHERS
GOVERNOR

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10-8-90

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88241-1980
(505) 393-6161

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

RE: Proposed:

MC _____
DHC _____
NSL X _____
NSP _____
SWD _____
WFX _____
PMX _____

63-m 36-16-36
64-0-1-17-36
65-m 36-16-36
~~# 66-0-36-16-36~~

Gentlemen:

I have examined the application for the:

Greenhill Pet. Corp., Lovington SA Unit #68-m-31-16-37
Operator Lease & Well No. Unit S-T-R

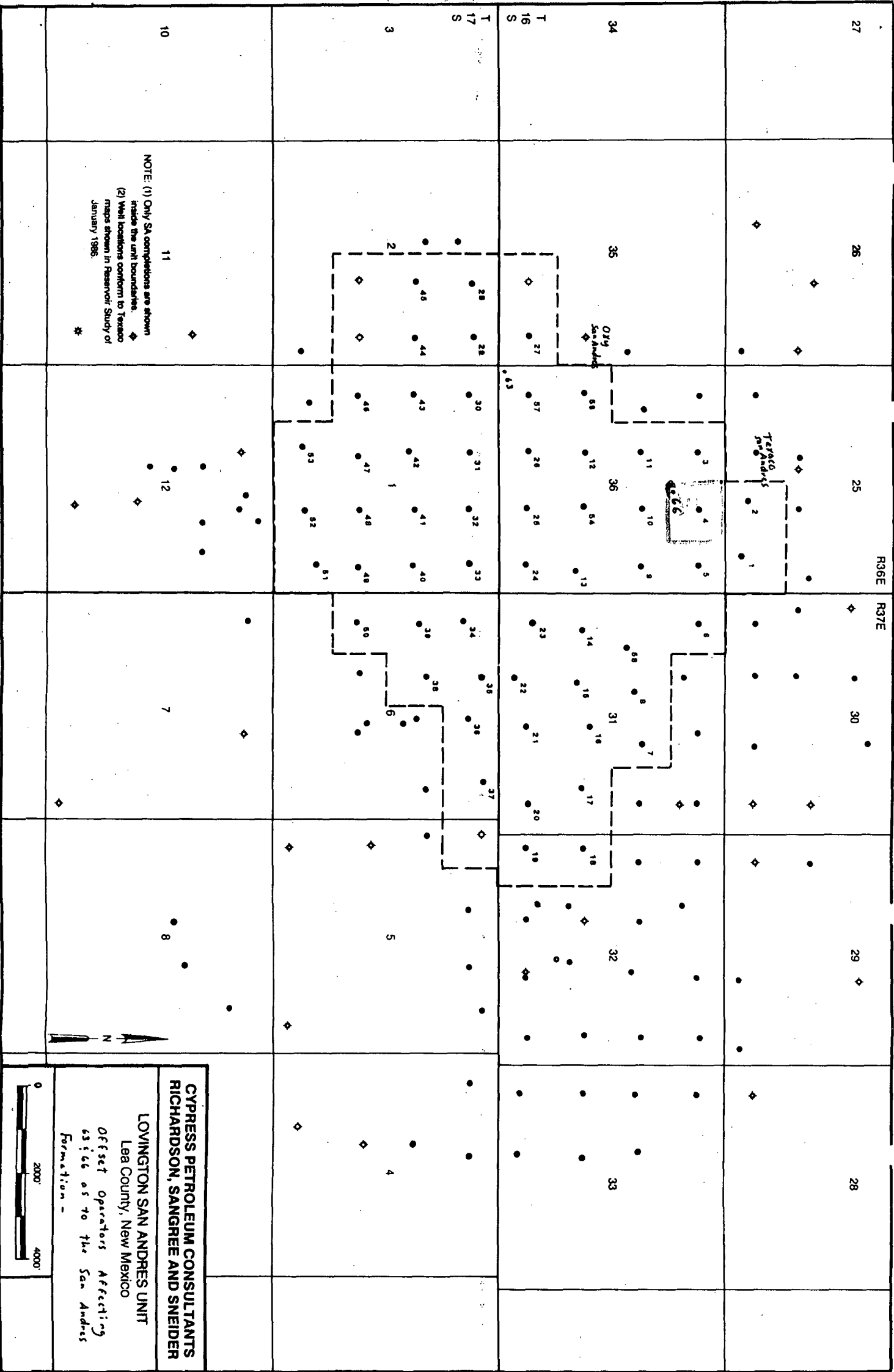
and my recommendations are as follows:

OK

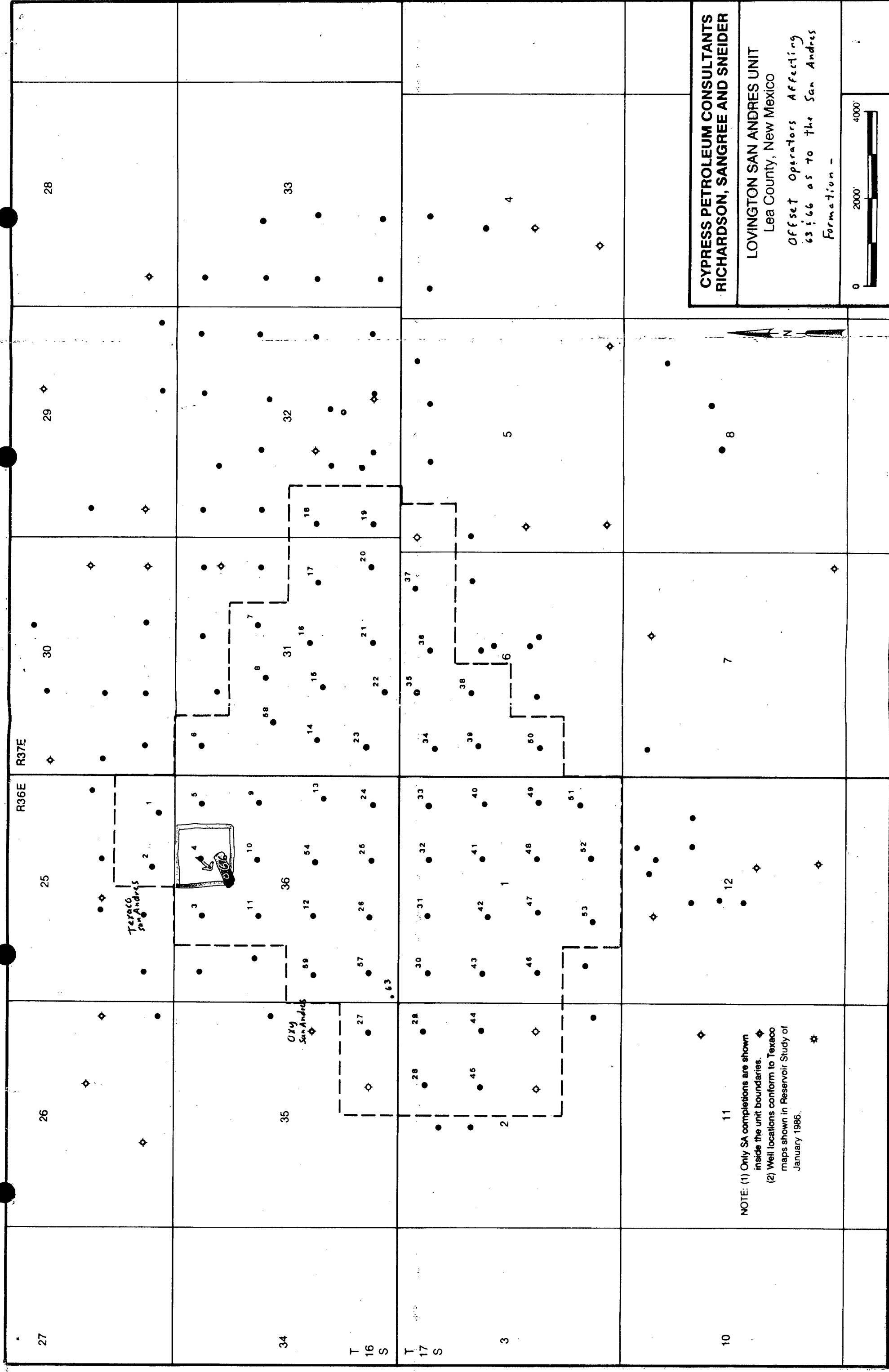
Yours very truly,

Jerry Sexton
Jerry Sexton
Supervisor, District 1

/ed



NOTE: (1) Only SA completions are shown inside the unit boundaries.
(2) Well locations conform to Texas maps shown in Reservoir Study of January 1986.





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CONSERVATION DIVISION
RECEIVED

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HOUSTON, TEXAS 77070
TELEPHONE (713) 955-1146
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Incorporated in Delaware, U.S.A.

'90 NOV 14 AM 8:50

November 8, 1990

Oil Conservation Division
State of New Mexico
P.O. Box 2088
Santa Fe, NM 87504-2088

Attn: Mike Stogner

Re: Lovington San Andres Unit
Well # 63 & 66
Lea County, NM

Enclosed please find the letters which were sent to Texaco covering Well No. 66 and Oxy covering Well No. 63, whereby they were notified about the unorthodox locations. Please note Texaco received their notice on 10/25/90 for Well No. 66. Greenhill will be able to receive an administrative permit 20 days from this date on 11/14/90. Oxy received their notice for Well No. 63 on 11/1/90. Greenhill will be able to receive the permit on 11/21/90. Please advise if I may provide you with additional information.

Sincerely,

Mike Newport
Landman

MJN:JB

cc. Oil Conservation Division
P.O. Box 1980
Hobbs, NM 88240



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October 23, 1990

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

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Well # 66
Lea County, New Mexico

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Department Western E & P
1670 Broadway, Rm 577
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Attn: David Sleeper

Re: Lovington San Andres Uni
Well No. 66
Lea County, New Mexico

P. 172 380 145
DENVER COLORADO 80202
RECEIPT FOR CERTIFIED MAIL

NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL

(See Reverse)

Sent to	Texaco
Street and No.	Dept. Western E & P
P.O., State and ZIP Code	1670 Broadway, Rm 577
Postage	\$
Certified Fee	
Special Delivery Fee	
Restricted Delivery Fee	
Return Receipt Showing to whom and Date Delivered	
Return receipt showing to whom, Date, and Address of Delivery	
TOTAL Postage and Fees	\$
Postmark or Date	10/18/90

* U.S.G.P.O. 1984-446-014

PS Form 3800, Feb. 1982

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Very truly yours,

Michael J. Newport

Michael J. Newport
Landman

MJN:JB
Enclosure

Agreed to and accepted this

Texaco

By: _____

<p>SENDER: Complete items 1 and 2 when additional services are desired, and complete items 3 and 4. Put your address in the "RETURN TO" space on the reverse side. Failure to do so will prevent this card from being returned to you. The return receipt fee will provide you the name of person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.</p> <p>1. <input checked="" type="checkbox"/> Show to whom delivered, date and addressee's address. (Extra charge) 2. <input type="checkbox"/> Restricted Delivery (Extra charge)</p>	
<p>3. Article Addressed to:</p> <p>Texaco Department Western E & P 1670 Broadway, Rm 577 Denver, Colorado 80202</p>	<p>4. Article Number</p> <p>172 380 145</p> <p>Type of Service:</p> <p><input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise</p> <p>Always obtain signature of addressee or agent and DATE DELIVERED.</p>
<p>5. Signature - Addressee</p> <p>X <i>[Signature]</i></p> <p>6. Signature - Agent</p> <p>X</p> <p>7. Date of Delivery</p> <p>5 1990</p>	<p>8. Addressee's Address (ONLY if requested and fee paid)</p>

PS Form 3811, Mar. 1988

* U.S.G.P.O. 1988-212-865

DOMESTIC RETURN RECEIPT