



GREENHILL PETROLEUM CORPORATION

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

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Incorporated in Delaware, U.S.A.

November 1, 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. 41
Eunice Monument
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 41 in the Eunice Monument Unit, located in Lea County, New Mexico.

The Eunice Monument Unit is presently developed and being waterflooded utilizing a 40-acre well density. It is believed that infill development using a 20-acre well density will improve waterflood sweep efficiency and will increase secondary oil recovery. The proposed location for Well No. 41 is located in the interior of the unit and is not competitive with offset wells outside the unit. Information gathered as a result of drilling this infill well will be utilized in evaluating additional infill development potential in the unit and ultimately may be used to evaluate the feasibility of tertiary recovery.

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

Respectfully yours,

GREENHILL PETROLEUM CORPORATION


Michael J. Newport
Landman

MJN:JB
Enclosures

GREENHILL PETROLEUM CORPORATION
BOP PROGRAM FOR
EUNICE MONUMENT UNIT # 41

<u>Casing Program</u>				<u>BOP Program</u>	
Size	Depth	Wt	Grade	Configuration	Test Pressure
8 5/8"	1400'	24	H40, STC	RA	200 psi
5 1/2"	4070'	15.5	K55, STC	RR	250/1500 psi

* RR - Ram Ram

RA - Ram Annular

Diverter - Hydrill may be substituted for a diverter.

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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-102
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator GREENHILL PETROLEUM CORP.		Lease Eunice Monument Unit		Well No. 41
Unit Letter M	Section 19	Township 20 South	Range 37 East	County Lea
Actual Footage Location of Well: 1275 feet from the South line and 1000 feet from the West line				
Ground level Elev. 3534.8	Producing Formation Grayburg San Andres	Pool Eunice Monument Grayburg San Andres	Dedicated Acreage: 40 Acres	

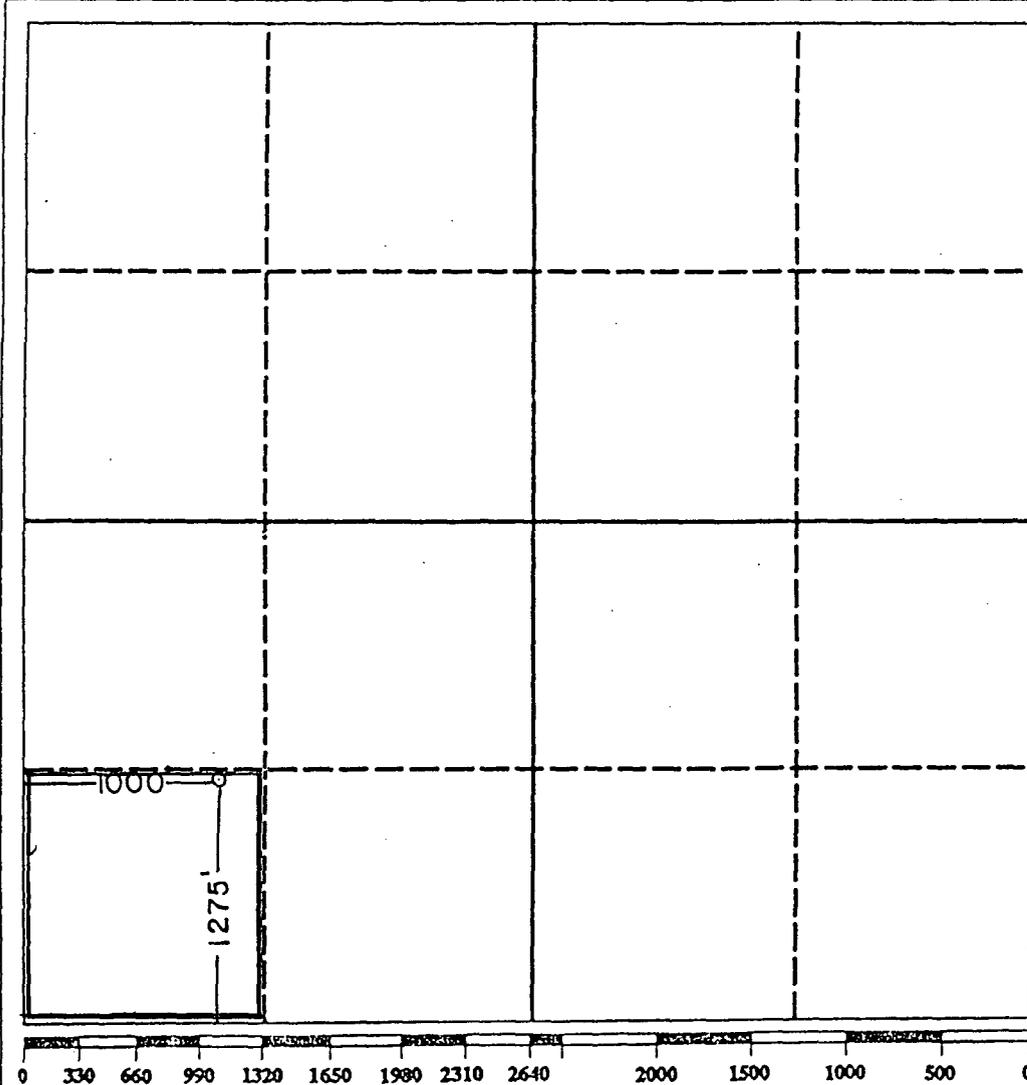
1. Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.

2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).

3. If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 Yes No If answer is "yes" type of consolidation _____

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) _____

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



OPERATOR CERTIFICATION

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

Signature
Michael J. Newport

Printed Name
Michael J. Newport

Position
Landman

Company
Greenhill Petroleum

Date
10-31-90

SURVEYOR CERTIFICATION

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed
October 3, 1990

Signature & Seal of Professional Surveyor
Ronald Elson

Certificate No. **676** JOHN W. WEST 676
RONALD ELSON 3239

NEW MEXICO
 JOHN W. WEST

123530

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

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 Revised 1-1-89

OIL CONSERVATION DIVISION

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

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

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

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

API NO. (assigned by OCD on New Wells)
 5. Indicate Type of Lease
 STATE FEE
 6. State Oil & Gas Lease No.
 B160

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. Lease Name or Unit Agreement Name Eunice Monument Unit		
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. Well No. 41		
2. Name of Operator Greenhill Petroleum Corp.			9. Pool name or Wildcat Eunice Monument Grayburg San		
3. Address of Operator 16010 Barkers Point, Ste., 325, Houston, TX 77079			Address		
4. Well Location Unit Letter <u>M</u> : <u>1275</u> Feet From The <u>South</u> Line and <u>1000</u> Feet From The <u>West</u> Line Section <u>19</u> Township <u>20 South</u> Range <u>37 East</u> NMPM <u>Lea</u> County					
10. Proposed Depth 4070'		11. Formation Grayburg		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 3534 GR		14. Kind & Status Plug. Bond Blanket on File		15. Drilling Contractor TBD	
16. Approx. Date Work will start 12/1/90					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
12 1/4	8 5/8	24	1400'	800	Surf.
7 7/8	5 1/2	15.5	4070'	400	Surf.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Michael J. Newport TITLE Landman DATE 10-31-90

TYPE OR PRINT NAME Michael J. Newport TELEPHONE NO. 955-1146

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:



OIL CONSERVATION DIVISION STATE OF NEW MEXICO
 RE: ENERGY AND MINERALS DEPARTMENT

NSL-2947

'90 NOV 15 AM 9 33 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

11-13-90

GARREY CARRUTHERS
 GOVERNOR

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 _____

Gentlemen:

I have examined the application for the:

Greenhill Petroleum Corp., Eunice Monument Unit #41-M
 Operator Lease & Well No. Unit S-T-R *19-20-37*

and my recommendations are as follows:

OK

Yours very truly,

Jerry Sexton
 Supervisor, District 1

/ed