



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.

December 3, 1990

Received 12/10/90

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

Attn: Mike Stogner

Re: Unorthodox Location and Drilling Permit
Proposed Well No. 93
Lovington Paddock
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 93 in the Lovington Paddock Unit, located in Lea County, New Mexico.

The Lovington Paddock 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 waterflood sweep efficiency and will increase secondary oil recovery. The proposed location for Well No. 93 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 of the proposed well as soon as possible and would appreciate a response to this request at your earliest convenience.

Respectfully yours,

GREENHILL PETROLEUM CORPORATION

Richard Newport
Michael J. Newport
Landman

MJN:JB
Enclosures



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

Re: Lovington Paddock
Well No. 93
Lea County, NM

Enclosed please find the revised location covering Well No. 93. The location had to be moved due to surface problems.

Sincerely,

Michael J. Newport
Michael J. Newport
Landman

MJN:jb
Enclosures

cc: Mike Stogner/Santa Fe

Submit to Appropriate District Office
 State Lease - 6 copies
 Fee Lease - 3 copies

State of New Mexico
 Energy, Minerals and Natural Resources Department

Form C-101
 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

API NO. (assigned by OCD on New Wells)

5. Indicate Type of Lease
 STATE FEE

6. State Oil & Gas Lease No.
 B1505

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work:
 DRILL RE-ENTER DEEPEN PLUG BACK

b. Type of Well:
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
 Greenhill Petroleum Corp.

3. Address of Operator
 16010 Barkers Point, Ste., 325, Houston, Tx 77079

4. Well Location
 Unit Letter K : 2740 Feet From The South Line and 1355 Feet From The West Line
 Section 31 Township 16 South Range 37 East NMPM Lea County

7. Lease Name or Unit Agreement Name
 Lovington Paddock Unit

8. Well No.
 93

9. Pool name or Wildcat
 Lovington Paddock

10. Proposed Depth
 6350

11. Formation
 Lovington Paddock

12. Rotary or C.T.
 Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
 3821.7 GR

14. Kind & Status Plug Bond
 Blanket

15. Drilling Contractor
 TBD

16. Approx. Date Work will start
 12-15-90

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#	2050	800	Surface
7 7/8	5 1/2	15.5#	6350	500	3000

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 12-3-90
 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:

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

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

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Santa Fe, New Mexico 87504-2088

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 1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

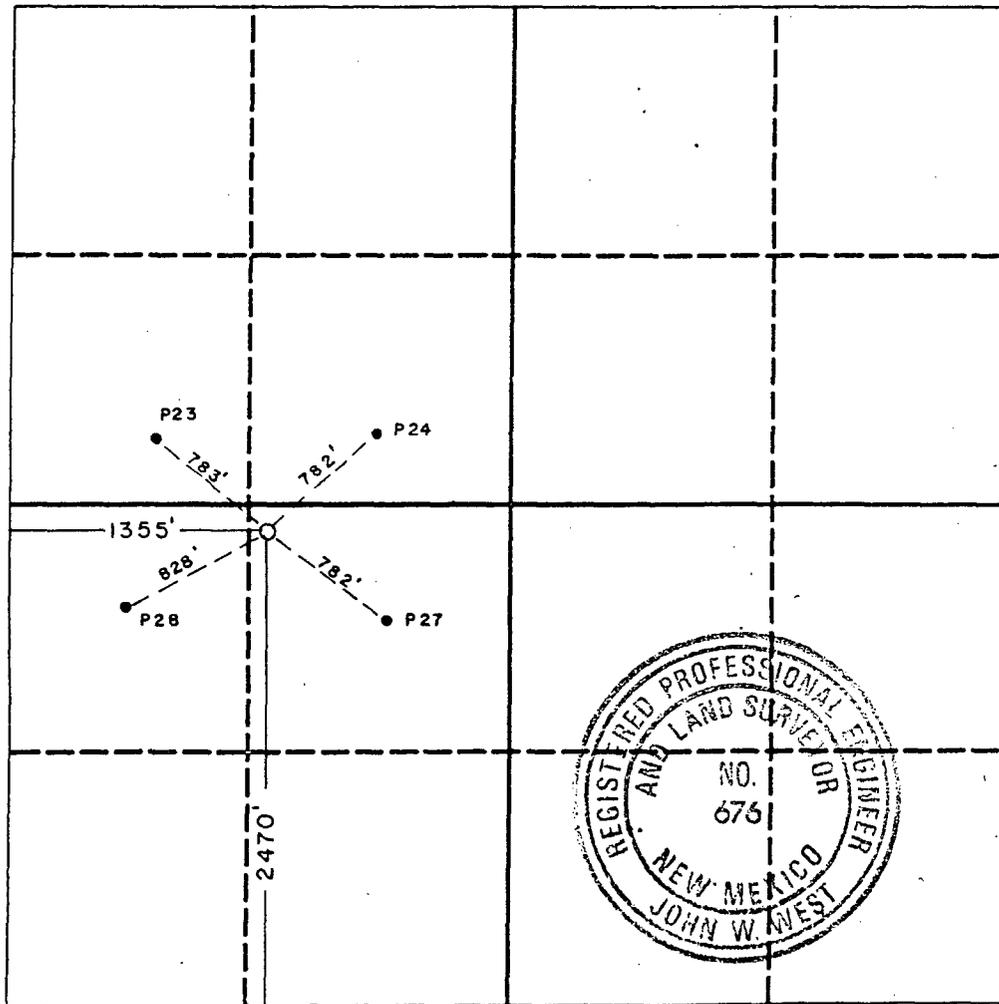
Operator GREENHILL PETROLEUM CORP.			Lease LOVINGTON PADDOCK UNIT		Well No. 93
Unit Letter K	Section 31	Township 16 SOUTH	Range 37 EAST	County LEA	
Actual Footage Location of Well: 2740 feet from the SOUTH line and 1355 feet from the WEST line					
Ground level Elev. 3821.7	Producing Formation Lovington Paddock		Pool Lovington Paddock	Dedicated Acreage: 40 Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- 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 Unitized

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: 12-3-90

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: 11-27-90
 Signature & Seal of Professional Surveyor: John W. West
 Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

125830

GREENHILL PETROLEUM CORPORATION
BOP PROGRAM FOR
LOVINGTON PADDOCK WELL # 93

<u>Casing Program</u>				<u>BOP Program</u>	
Size	Depth	Wt	Grade	Configuration	Test Pressure
8 5/8"	2050'	24	H40, STC	RA	200 psi
5 1/2"	6350'	15.5	K55, STC	RR	250/1500 psi

* RR - Ram Ram

RA - Ram Annular

Diverter - Hydrill may be substituted for a diverter