



GREENHILL PETROLEUM CORPORATION

12777 JONES ROAD, SUITE 375
HOUSTON, TEXAS 77070
TELEPHONE (713) 955-1146
FAX (713) 890-2405

Incorporated in Delaware, U.S.A.

May 16, 1991

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. 81
West Lovington
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 81 in the West Lovington Unit, located in Lea County, New Mexico.

The West Lovington 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. 81 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

Michael J. Newport
Michael J. Newport
Land Manager-Permian Basin

MJN:JB
Enclosures



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CERTIFIED MAIL

May 16, 1991

Exxon Co. USA
P.O. Box 1600
Midland, TX 79702-1600

Re: West Lovington
Well No. 81
Lea County, NM

This letter is to hereby notify you that Greenhill Petroleum will be drilling Well No. 81 to a depth of 5230' to test the San Andres formation, 105 FNL and 1305 FWL in Section 9, T17S-R36E, Lea County, NM. We are obligated by the New Mexico Oil Commission to notify all offset operators that we are applying for an unorthodox location within our West Lovington Unit.

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

Sincerely,

Michael J. Newport
Land Manager-Permian Basin

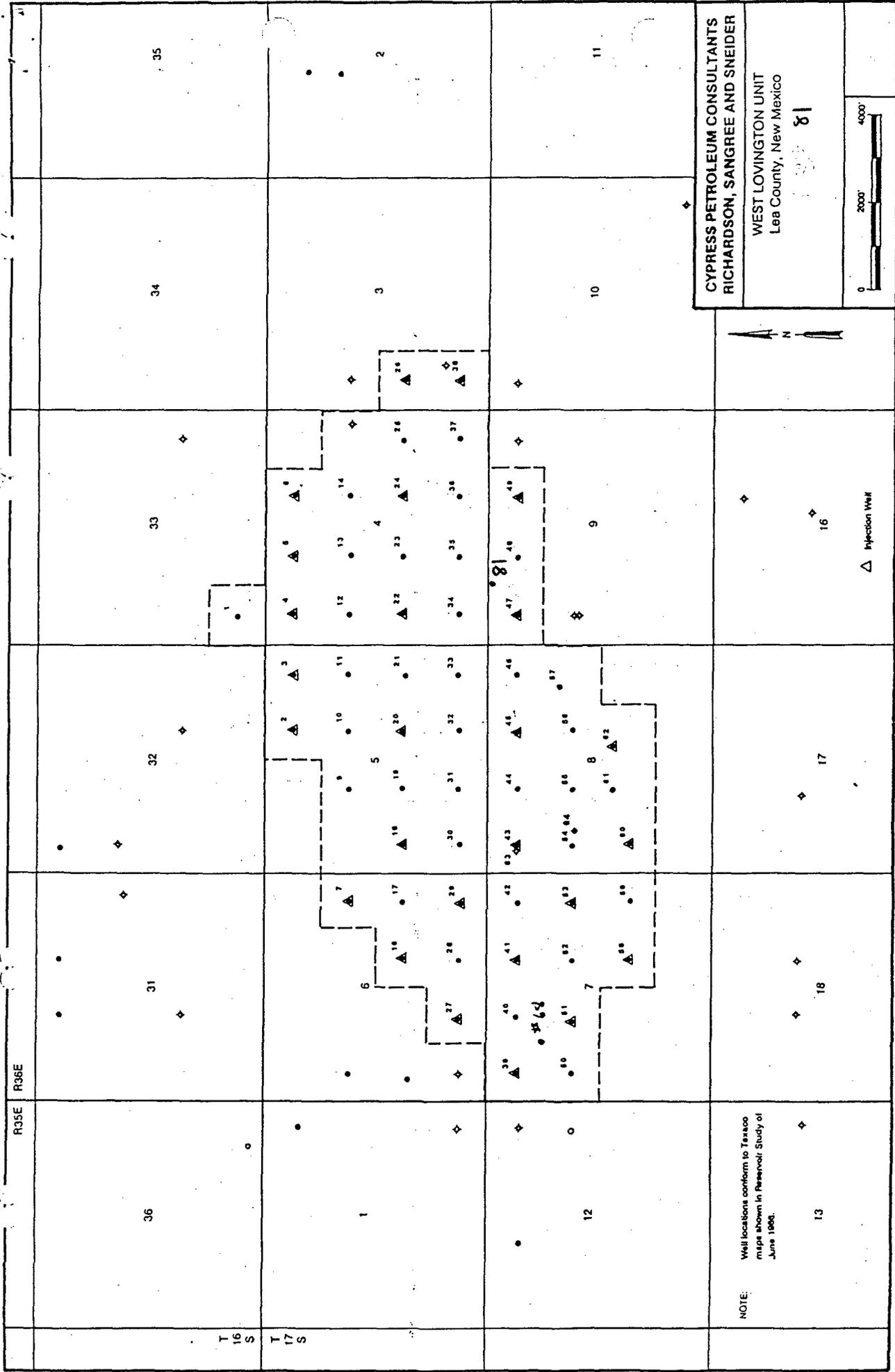
MJN:jb
cc: Mike Stogner/Santa Fe

Agreed to and accepted this _____ day of
_____, 1991.

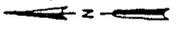
Exxon Co. USA

By: _____

Enclosures



CYPRESS PETROLEUM CONSULTANTS
 RICHARDSON, SANGREE AND SNEIDER
 WEST LOVINGTON UNIT
 Lea County, New Mexico



NOTE: Well locations conform to Texasco maps shown in Reservoir Study of June 1966.

GREENHILL PETROLEUM CORPORATION
 B O P PROGRAM FOR
 WEST LOVINGTON UNIT # 81

<u>Casing Program</u>		<u>Wt</u>	<u>Grade</u>	<u>B O P Program</u>	<u>Test Program</u>
<u>Size</u>	<u>Depth</u>			<u>Configuration</u>	
8 5/8"	350'	24#/	J55,STC	RR or RA	250/1500 psi
5 1/2"	5230'	15.5#/	J55,STC	N/A	

*RR - Ram Ram
 RA - Ram Annular

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 WEST LOVINGTON UNIT		Well No. 81
Unit Letter D	Section 9	Township 17 SOUTH	Range 36 EAST	County NMPM LEA	

Actual Footage Location of Well:
 105 feet from the NORTH line and 1305 feet from the WEST line

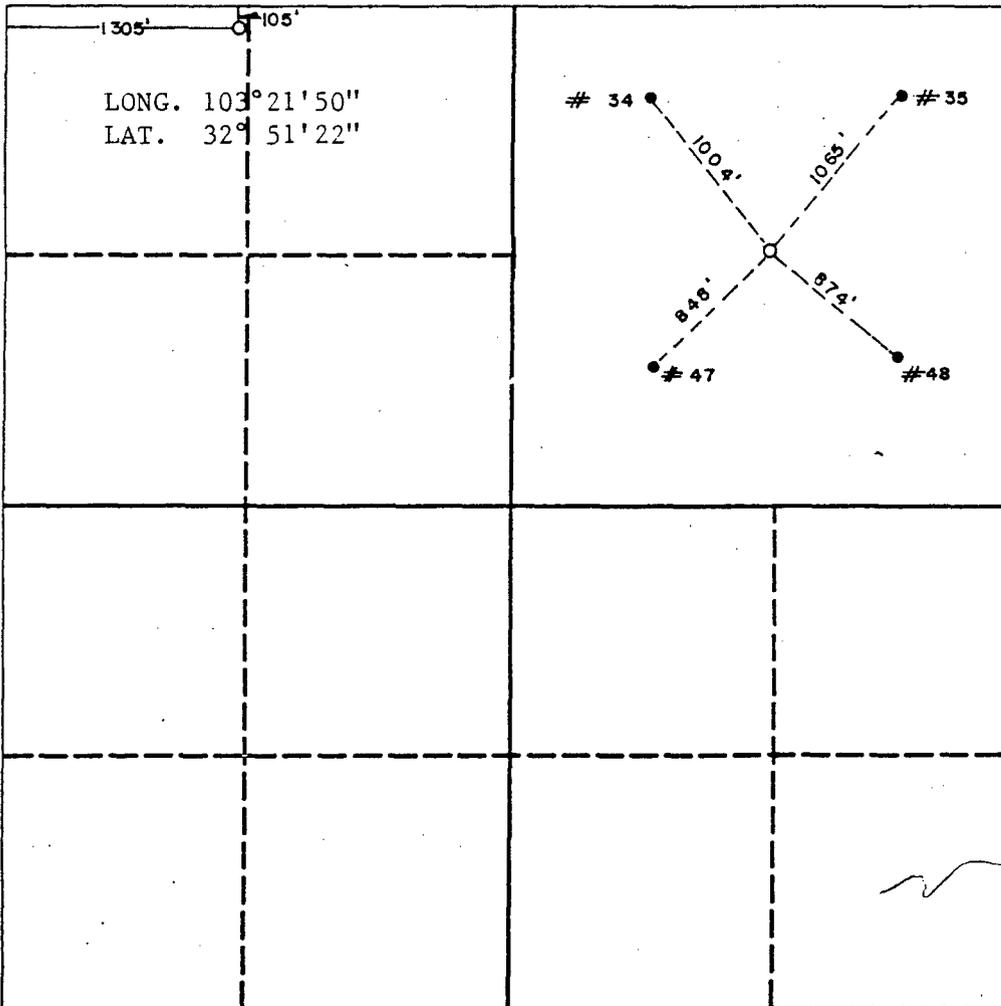
Ground level Elev. 3879.0	Producing Formation San Andres	Pool West Lovington Upper San Andres	Dedicated Acreage: 20 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one 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 Newport*
 Printed Name: Michael J. Newport
 Position: Land Manager
 Company: Greenhill Petroleum
 Date: 5/15/91

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: 5-03-91

Signature & Seal of Professional Surveyor:
John W. West
 Certificate No. JOHN W. WEST 676
 RONALD J. EIDSON 3239
 PROFESSIONAL SURVEYOR
 STATE OF NEW MEXICO

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
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.
B7016

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 West Lovington Unit		
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>			8. Well No. 81		
2. Name of Operator Greenhill Petroleum Corporation			9. Pool name or Wildcat West Lovington Uppers San Andre		
3. Address of Operator 11490 Westheimer, Ste., 200, Houston, TX 77077					
4. Well Location Unit Letter <u>D</u> : <u>105</u> Feet From The <u>North</u> Line and <u>1305</u> Feet From The <u>West</u> Line Section <u>9</u> Township <u>17S</u> Range <u>36E</u> NMPM <u>lea</u> County					
		10. Proposed Depth 5230		11. Formation San Andres	
13. Elevations (Show whether DF, RT, GR, etc.) 3879		14. Kind & Status Plug. Bond on file		15. Drilling Contractor TBD	
16. Approx. Date Work will start 7-15-91					
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	350	300	Surface
7 7/8	5 1/2	15.5	5230	450	Surface

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 Newport TITLE Land Manager-Permian Basin DATE 5-16-91

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:



GREENHILL PETROLEUM CORPORATION

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May 16, 1991

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

Attn: Mike Stogner

Re: West Lovington
Well No. 81
Lea County, NM

This letter is to hereby notify you we have notified all offset operators to the WLU No. 81 that we plan to drill an unorthodox location.

Sincerely,

Michael J. Newport
Land Manager-Permian Basin

MJN:jb
Enclosure



STATE OF NEW MEXICO

OIL CONSERVATION DIVISION
RECEIVED

'91 MAY 30 AM 9 17

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

5-28-91

BRUCE KING
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 _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

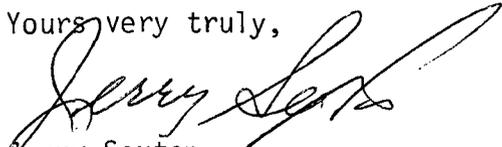
I have examined the application for the:

Greenhill Pet. Corp. West Lovington Unit # 81-D 9-17-36
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,


Jerry Sexton
Supervisor, District 1

/ed



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May 16, 1991

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. 82
West Lovington
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 82 in the West Lovington Unit, located in Lea County, New Mexico.

The West Lovington 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. 82 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

Michael J. Newport
Michael J. Newport
Land Manager-Permian Basin

MJN:JB
Enclosures



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TELEPHONE (713) 955-1146
FAX (713) 890-2405

Incorporated in Delaware, U.S.A.

CERTIFIED MAIL

May 16, 1991

Texaco USA
P.O. Box 3109
Midland, TX 79702

Attn: Keith Williams

Re: West Lovington
Well No. 82
Lea County, NM

This letter is to hereby notify you that Greenhill Petroleum will be drilling Well No. 82 to a depth of 5230' to test the San Andres Formation, 2390 FEL and 2390 FNL in Section 7, T17S-R36E, Lea County, NM. We are obligated by the New Mexico Oil Commission to notify all offset operators that we are applying for an unorthodox location within our West Lovington Unit.

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

Sincerely,

Michael J. Newport
Land Manager-Permian Basin

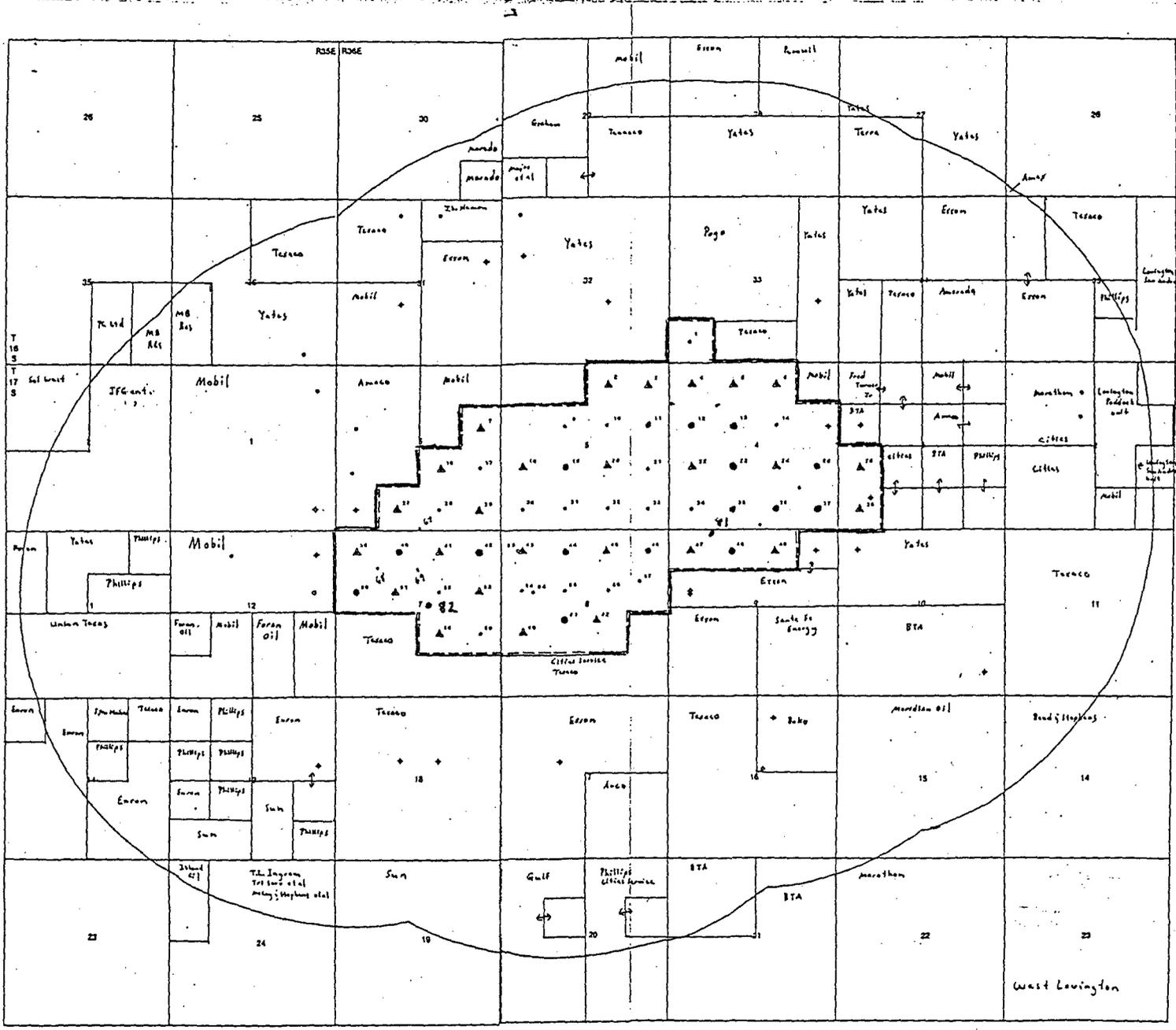
MJN:jb
cc: Mike Stogner/Santa Fe

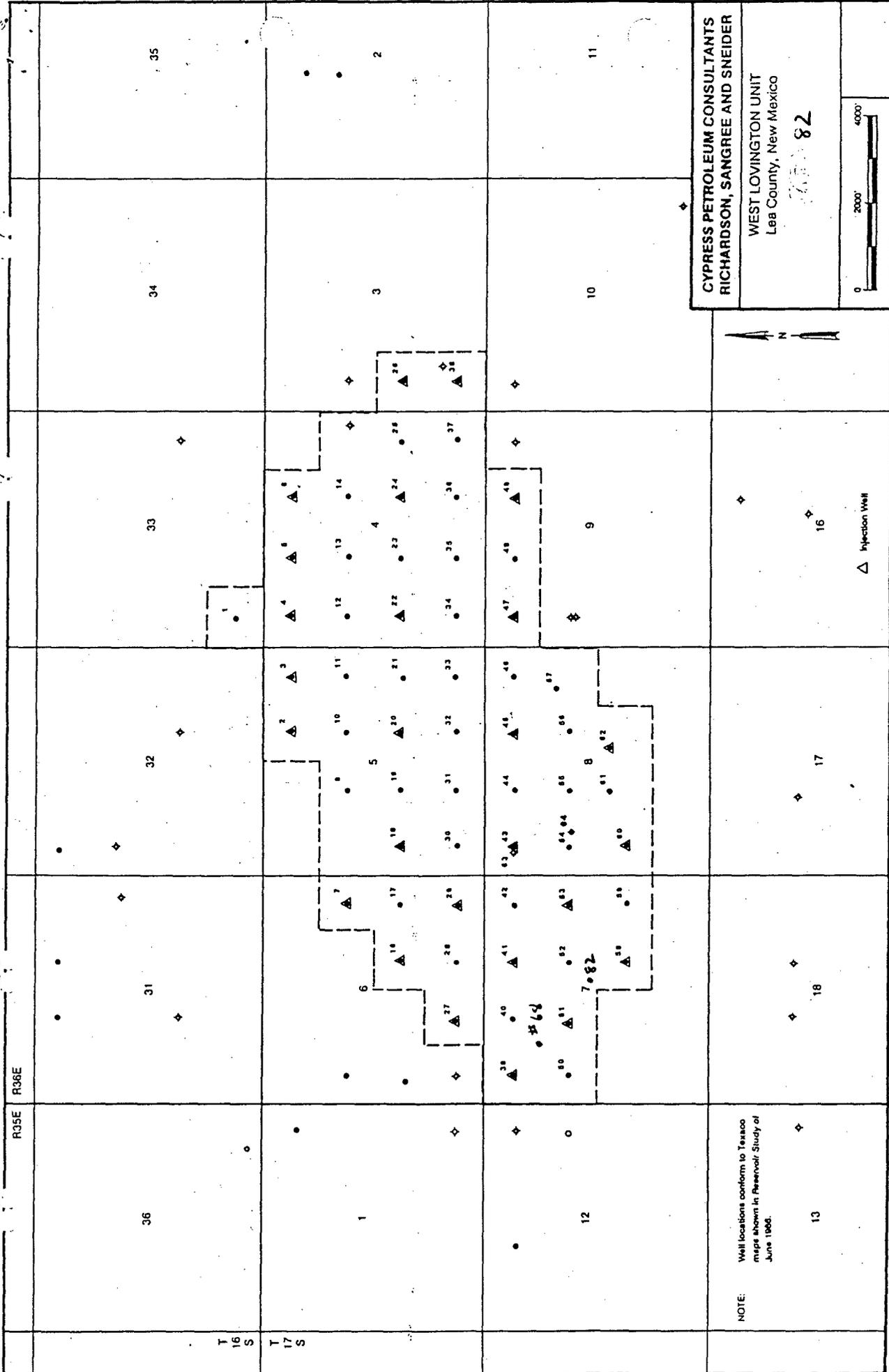
Agreed to and accepted this _____ day of _____, 1991.

Texaco USA

By: _____

Enclosures

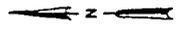




CYPRESS PETROLEUM CONSULTANTS
 RICHARDSON, SANGREE AND SNEIDER

WEST LOVINGTON UNIT
 Lea County, New Mexico

82



NOTE: Well locations conform to Texas maps shown in Reservoir Study of June 1966.

△ Injection Well

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
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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 WEST LOVINGTON UNIT		Well No. 82
Unit Letter G	Section 7	Township 17 SOUTH	Range 36 EAST	County NMPM LEA	

Actual Footage Location of Well:
 2390 feet from the EAST line and 2390 feet from the NORTH line

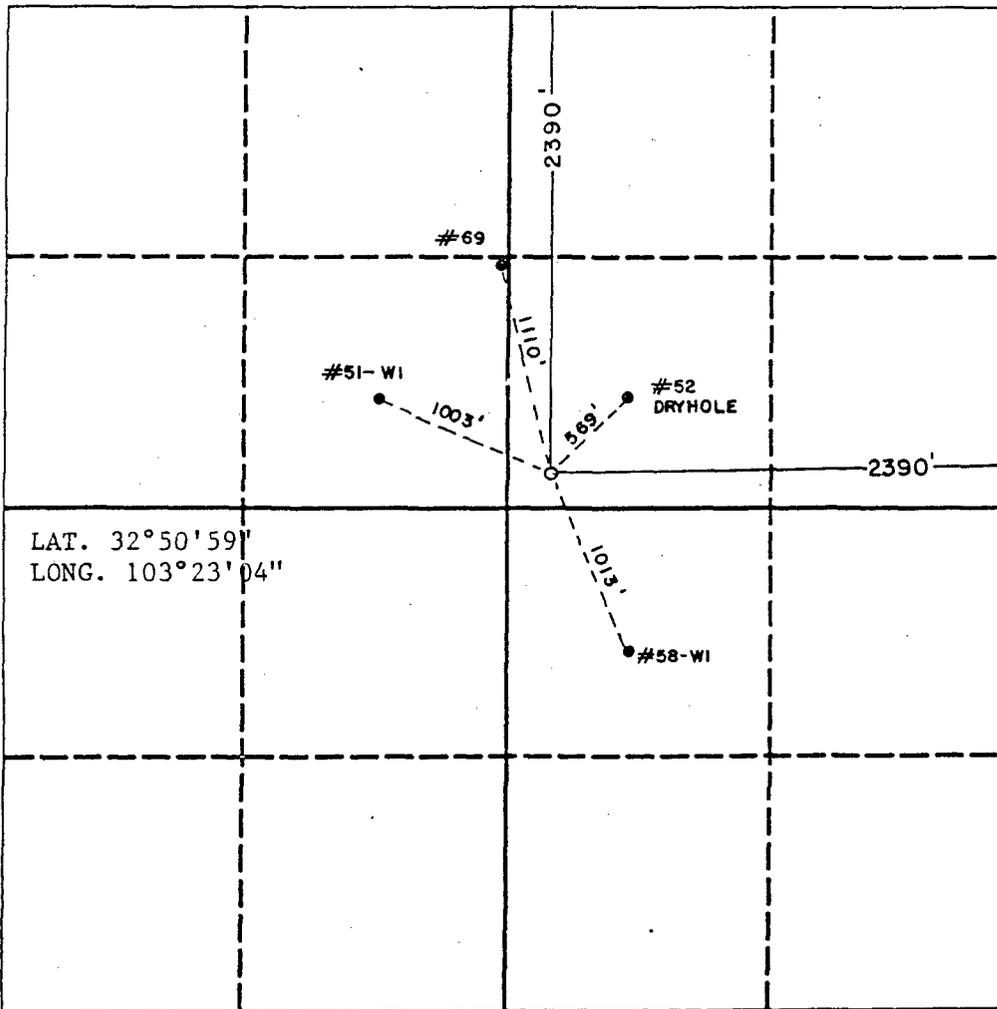
Ground level Elev. 3903.8	Producing Formation San Andres	Pool West Lovington Upper San Andres	Dedicated Acreage: 20 Acres
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- Outline the acreage dedicated to the subject well by colored pencil or hatchure marks on the plat below.
- If more than one 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.



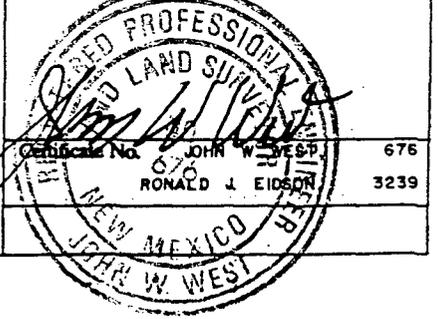
OPERATOR CERTIFICATION
 I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature: Michael J. Newport
 Printed Name: Michael J. Newport
 Position: Land Manager
 Company: Greenhill Petroleum
 Date: 5/15/91

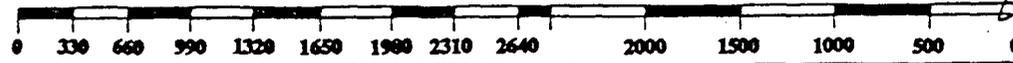
SURVEYOR CERTIFICATION
 I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.

Date Surveyed: 4-30-91

Signature & Seal of Professional Surveyor



128630



GREENHILL PETROLEUM CORPORATION
B O P PROGRAM FOR
WEST LOVINGTON UNIT # 82

<u>Casing Program</u>		<u>Wt</u>	<u>Grade</u>	<u>B O P Program</u>	<u>Test Program</u>
<u>Size</u>	<u>Depth</u>			<u>Configuration</u>	
8 5/8"	350'	24#	J55,STC	RR or RA	250/1500 psi
5 1/2"	5230'	15.5#	J55,STC	N/A	

*RR - Ram Ram
RA - Ram Annular



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FAX (713) 890-2405

Incorporated in Delaware, U.S.A.

May 16, 1991

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

Attn: Mike Stogner

Re: West Lovington
Well No. 82
Lea County, NM

This letter is to hereby notify you that we have notified all offset operators to the WLU No. 82 that we plan to drill an unorthodox location.

Sincerely,

Michael J. Newport
Land Manager-Permian Basin

MJN:jb

Enclosures



CONSERVATION DIVISION

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

91 MAY 30 AM 9 17

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

5-28-91

BRUCE KING
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 _____
- NSP _____
- SWD _____
- WFX _____
- PMX _____

Gentlemen:

I have examined the application for the:

Greenhill Pet. Corp. West Lovington Unit #82-27-17-36
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

01

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed