



OIL CONSERVATION DIVISION
GREENHILL PETROLEUM CORPORATION

11490 WESTHEIMER ROAD, SUITE 200
HOUSTON, TEXAS 77077-6841
TELEPHONE (713) 589-8484
FAX. (713) 589-7892

'92 MAR 27 AM 9 48

Incorporated in Delaware, U.S.A.

March 23, 1992

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

Attention: Mr. Mike Stogner

Re: Unorthodox Location and Drilling Permit
Proposed Well Number 140
Lovington Paddock Unit
Lea County, New Mexico

Dear Mr. Stogner:

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 140 in the Lovington Paddock Unit, located in Lea County, New Mexico.

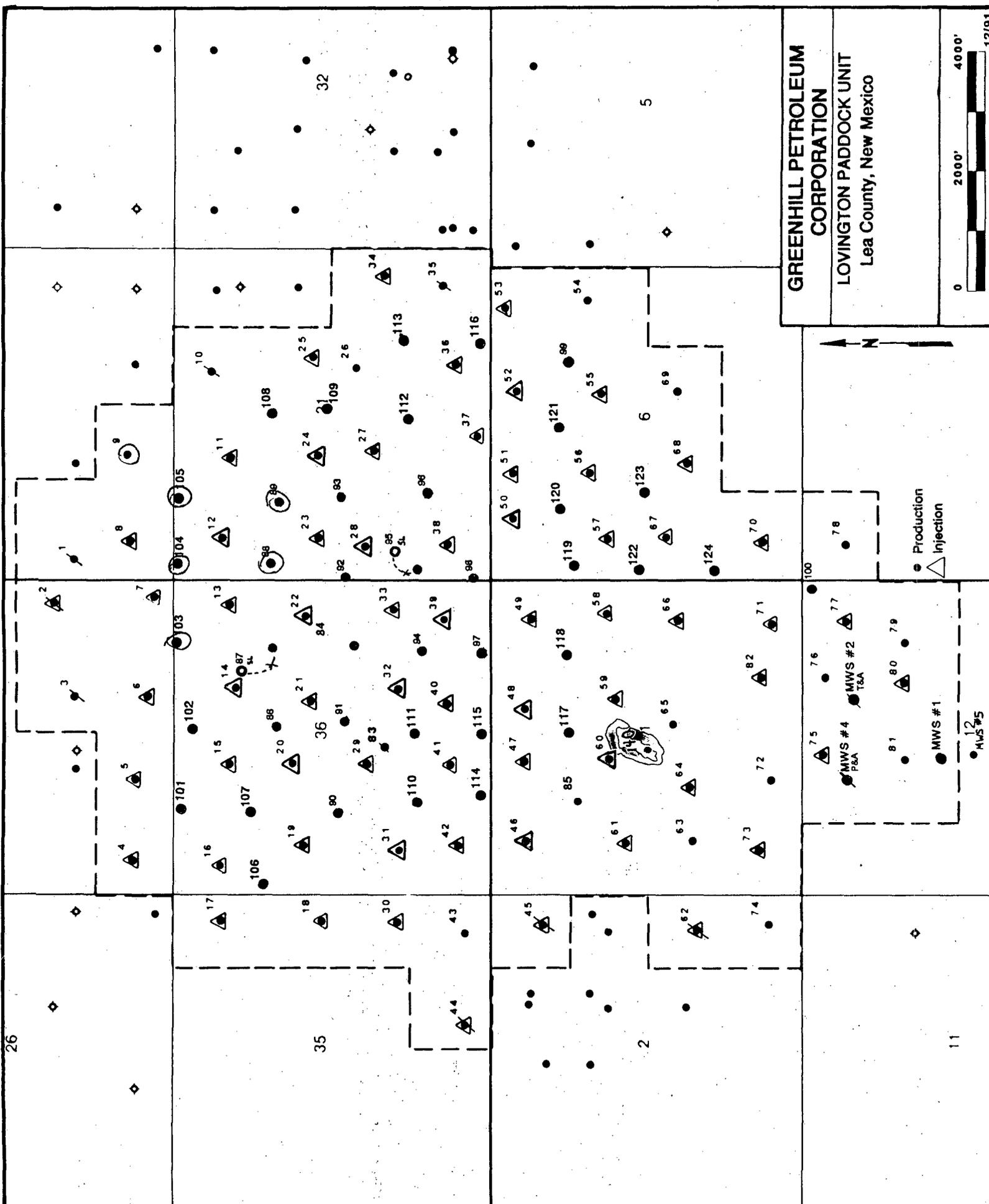
The Lovington Paddock Unit is presently developed and being waterflooded utilizing a 40-acre well density. It is believed that infill development using a 20-acre well density will improve waterflood sweep efficiency and will increase secondary oil recovery. The proposed location for Well Number 140 is 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,

Michael J. Newport
Land Manager-Permian Basin

MJN:sjs
92. 204
Enclosures



GREENHILL PETROLEUM CORPORATION

LOVINGTON PADDOCK UNIT
Lea County, New Mexico

● Production
▲ Injection





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GREENHILL PETROLEUM CORPORATION

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92. 204
Enclosures

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.
 B 2359

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 CORPORATION

3. Address of Operator: 11490 Westheimer, Suite 200, Houston, Texas 77077-6841

4. Well Location: Unit Letter F : 2,522 Feet From The North Line and 2,630 Feet From The West Line
 Section 1 Township 17S Range 36E NMPM Lea County

7. Lease Name or Unit Agreement Name: Lovington Paddock Unit

8. Well No. 140

9. Pool name or Wildcat: Lovington Paddock

10. Proposed Depth: 5,150 ft.

11. Formation: San Andres

12. Rotary or C.T.: Rotary

13. Elevations (Show whether DF, RT, GR, etc.): 3,828.2 ft. GR

14. Kind & Status Plug. Bond: on file

15. Drilling Contractor: TBD

16. Approx. Date Work will start: 04/92

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	1,300 ft.	550	Surface
7-7/8	5-1/2	15.5	5,150 ft.	1,000	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 J. Newport TITLE: Land Manager -- Permian Basin DATE: 03/23/92

TYPE OR PRINT NAME: Michael J. Newport TELEPHONE NO. 713 589-8484

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

GREENHILL PETROLEUM CORPORATION
BOP PROGRAM FOR
LOVINGTON PADDOCK UNIT #140

Casing Program				BOP Program	
Size	Depth	Wt.	Grade	Configuration	Test Pressure
8 5/8"	1300'	24	H40, STC	RA*	200 psi
5 1/2"	6450'	15.5	K55, STC	RR*	250/1500 psi

*RR-Ram Ram
RA-Ram Annular

Diverter-Hydrill may be substituted for a diverter.

sjs:s
92.215

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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DISTRICT II

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DISTRICT III

1000 Rio Brazos Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

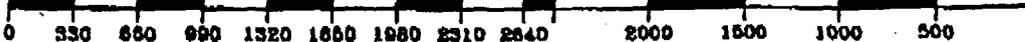
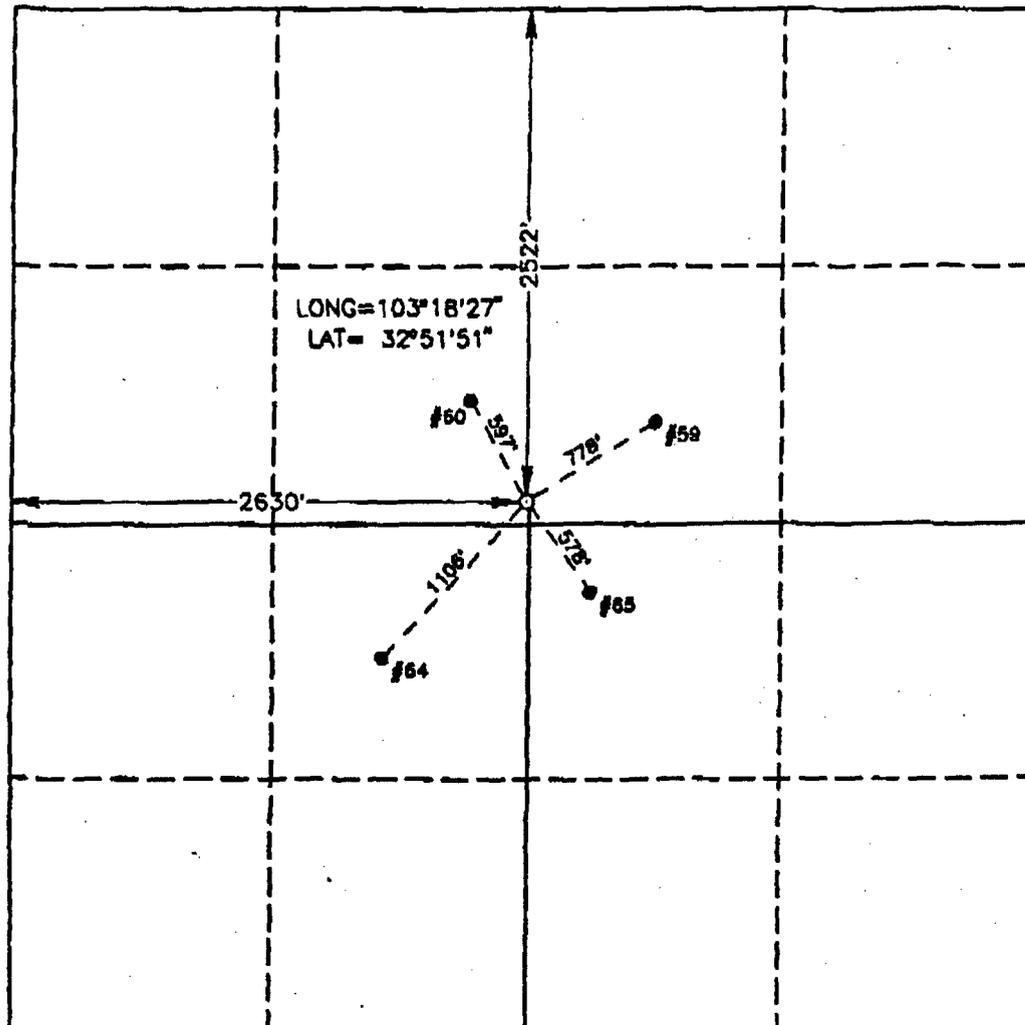
All Distances must be from the outer boundaries of the section

Operator GREENHILL PETROLEUM CORP.		Lease LOVINGTON PADDOCK UNIT		Well No. 140	
Unit Letter F	Section 1	Township 17 SOUTH	Range 36 EAST	County NMPM LEA	
Actual Footage Location of Well: 2522 feet from the NORTH line and 2630 feet from the WEST line					
Ground Level Elev. 3828.2'	Producing Formation		Pool	Dedicated Acreage: Acres	

- Outline the acreage dedicated to the subject well by colored pencil or hachure 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 _____

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

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



OPERATOR CERTIFICATION

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

Signature
Richard J. [Signature]
 Printed Name

Position

Company

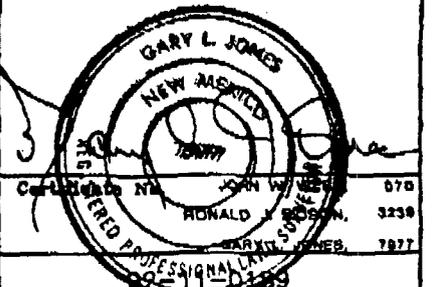
Date

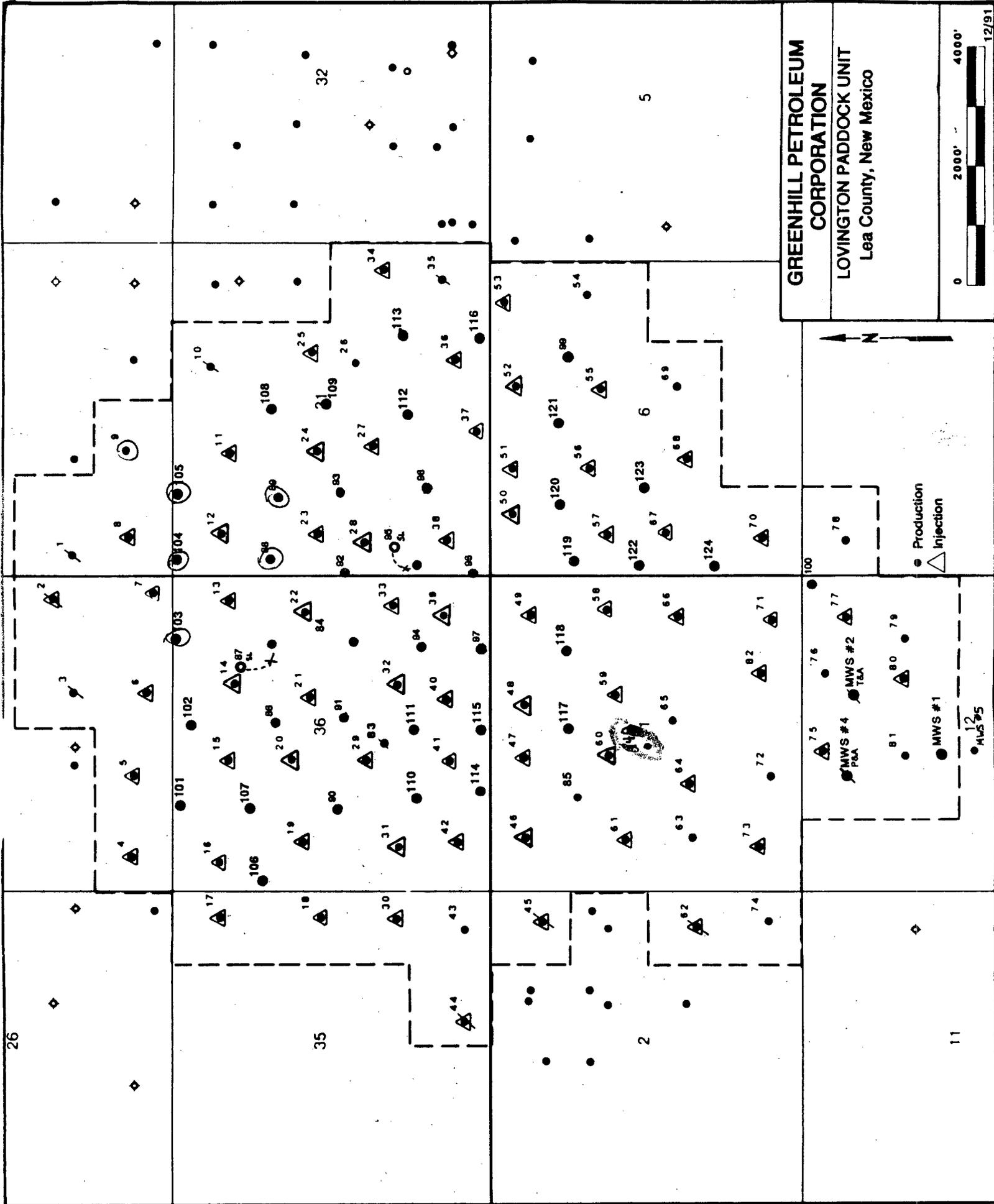
SURVEYOR CERTIFICATION

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.

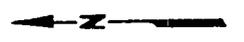
Date Surveyed
MARCH 4, 1992

Signature & Seal of Professional Surveyor





GREENHILL PETROLEUM CORPORATION
LOVINGTON PADDOCK UNIT
 Lea County, New Mexico



● Production
 ▲ Injection



● MWS #4
 P&A
 ● MWS #2
 T&A
 ● MWS #1
 ● 12
 ● AVS #5

● 75
 ● 76
 ● 77
 ● 81
 ● 80
 ● 79
 ● MWS #1

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STATE OF NEW MEXICO
 OIL CONSERVATION DIVISION
 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
 RECEIVED
 '92 APR 3 AM 9 19
 OIL CONSERVATION DIVISION
 HOBBS DISTRICT OFFICE

3-30-92

BRUCE KING
 GOVERNOR

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

NSL - 3107

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 Petroleum Corp. Lovington Paddock Unit #140-F 1-17-36
 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