

GREENHILL PETROLEUM CORPORATION

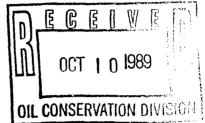
12777 JONES ROAD, SUITE 375 HOUSTON, TEXAS 77070 TELEPHONE (713) 955-1146 FAX (713) 955-5105

Incorporated in Delaware, U.S.A.

October 6, 1989

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

Re: Unorthodox Locations and Drilling Permits
Proposed Wells No. 65 and No. 66
Lovington San Andres West Field
West Lovington Unit
Lea County, New Mexico



Gentlemen:

Greenhill Petroleum Corporation respectfully requests the State of New Mexico Oil Conservation Division grant approval of the proposed unorthodox locations and the attached permits to drill wells No. 65 and No. 66 in the Lovington San Andres West Field, 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 locations for wells No. 65 and No. 66 are located in the interior of the unit and are not competitive with offset wells outside the unit. Information gathered as a result of drilling these infill wells 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 two proposed wells as soon as possible and would appreciate a response to this request at your earliest convenience.

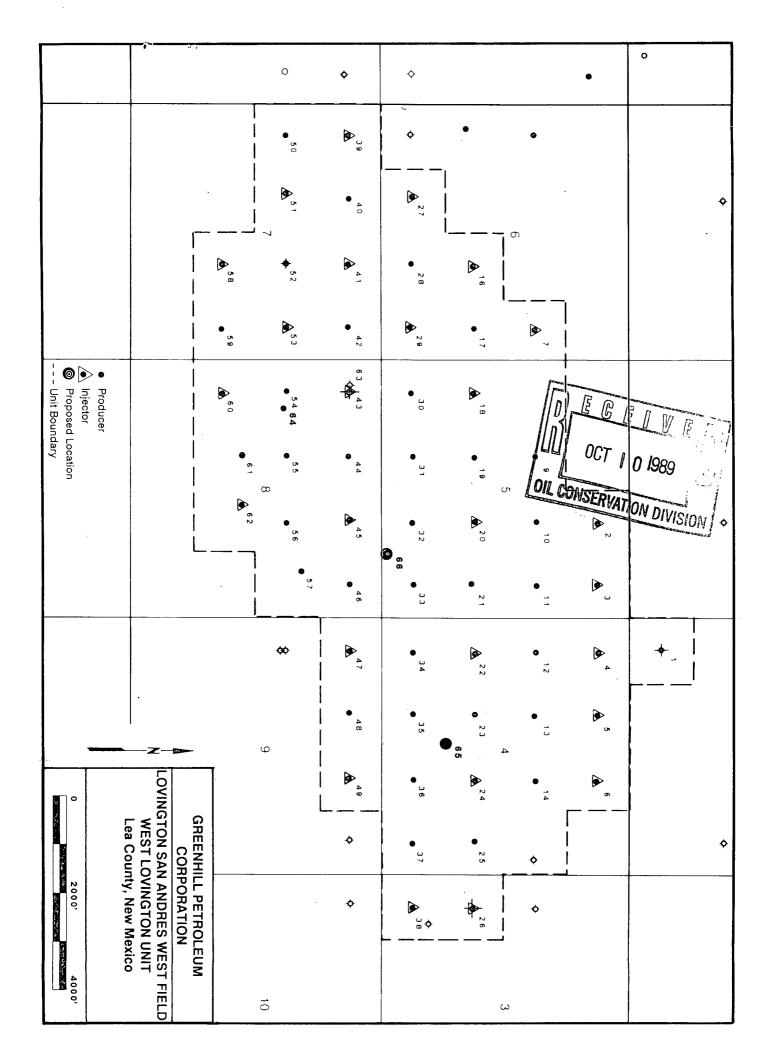
Sincerely,

Norbert Renaud

Production Engineer

NPR: JAM

Enclosures



| STATE OF NEW MEXI | ll . | CONSERVATI | | | Form C-101 Revised 10 | | |
|--|---|--|---|--|--|------------------------------|--|
| DISTRIBUTION SANTA FE | SANTA FE, NEW MEXICO 87501 | | | | SA. Indicate Type of Lease | | |
| FILE | | | | | | 5, State Oil & Gas Lease No. | |
| LAND OFFICE | U.S.G.S. | | | | B-3009 | | |
| OPERATOR | | | * | | | | |
| | ON FOR PERMIT TO | DRILL, DEEPEN, | OR PLUG BACK | | 7. Unit Agre | | |
| In. Type of Work | _ | | | | _ | | |
| b. Type of Well DRILL | • | | | | West Lovington Unit 8. Farm or Lease Name | | |
| WELL X GAS WELL | OTHER . | • | SINGLE X | ZONE | | | |
| 2. Name of Operator | | | | | 9. Well No. | | |
| Greenhill Petroleum Corporation (713) 870-0606 3. Address of Operator | | | | | | 66 | |
| · | | | | | j . | | |
| 16010 Barker's Pt. Ln., Ste-325 Houston, Texas 77079 | | | | | | Lovington S.A. West | |
| 4. Location of Well UNIT LETTER P LOCATED 1300 FEET FROM THE East LINE | | | | | | | |
| AND 135 PEET FROM | THE South LIN | E OF SEC. 5 | TWP. 175 AGE. 3 | 6E HMPM | | | |
| | | | | | 12. County Lea | | |
| | | <i>\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\</i> | <i> </i> | 44444 | | | |
| | | | | | | | |
| | | | 19. Proposed Depth | 19A. Formation | 1 | 20. Rotary or C.T. | |
| 21. Elevations (Show whether DF) | 111111111111111111111111111111111111111 | 6 Status Plug. Bond | 5200 21B. Drilling Contractor | San Ar | | Rotary Date Work will start | |
| 3891.5 GL | | et on File | · | | 1 | | |
| 23. | joranke | c on tile 1 | TBD | | 1 1 | 25-89 | |
| | P | ROPOSED CASING AND | CEMENT PROGRAM | | | | |
| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPT | H SACKS OF | CEMENT | EST. TOP | |
| ` 17 ½ | 13 3/8 | 48# | 350' | 450 | 450 Surface | | |
| 12 ½ | 8 5/8 | 24# | 2000' | 1050 | | Surface | |
| 7 7/8 | 5 ½ · | 15.5# | 5230' | 200 | ı | 4150' | |
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| | | | | • | | • | |
| N ABOVE SPACE DESCRIBE PR | OPOSED PROGRAMI IF I | PROPOSAL IS TO DEEPEN O | R PLUG BACK, GIVE DATA | OH PRESENT PRO | DUCTIVE ZONE | AND PROPOSED NEW PRODUC- | |
| hereby certify that the information | on above is true and comp | lete to the best of my kr | nowledge and belief. | | | | |
| igned Lie Test Gene Linton Tule Production Coordinator Date 10-9-89 | | | | | | | |
| igned Leve Text | Gene Linton | Tule Production | on Coordinate | or b | ate10- | -9-89 | |
| (This space for S | State Use) . | | | | | | |
| | | | • | | | | |

CONDITIONS OF APPROVAL, IF ANY

ubmit to Appropriate District Office State Lease - 4 copies Foe Lease - 3 copies

DISTRICT

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

P.O. Box 1980, Hobbs, NM 88240 DISTRICT II P.O. Drawer DD, Artesia, NM 88210

WELL LOCATION AND ACREAGE DEDICATION PLAT

1000 Rio Brazos Rd., Aztec, NM 87410 All Distances must be from the outer boundaries of the section Weil No. Operator Greenhill Petroleum Corp. West Lovington Unit 66 Unit Letter Township County Section Р 17 South 36 East Lea NMPM Actual Footage Location of Well: 1300 135 South East feet from the line feet from the line and Ground level Elev. Producing Formation Dedicated Acreage: 3891.5 20 San Andres Lovington San Andres West Acres 1. Outline the acreage dedicated to the subject well by colored pencil or hachure 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 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 neccessary. 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 in true and complete to the best of my knowledge and belief. Signature Printed Name Gene Linton Position Production Coordinator Company Greenhill Petroleum Corp 10-9-89 SURVEYOR CERTIFICATION RE CONSERVATION DIV I hereby certify that the well location show on this plat was plotted from field notes of actual surveys made by me or under my supervison, and that the same is true and correct to the best of my knowledge and belief. Date Surveyed Septembe<u>r 8</u> Greenhill Petr. Corp. West hovington Unit WIII No. 33 660'FS+EC Spud: 7/29/44 West Lovington 1300 1000 330 660 990 1320 1650 1980 2310 2640 2000 1500 500



STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

GARREY CARRUTHERS GOVERNOR

10-11-89

POST OFFICE BOX 1980. HOBBS, NEW MEXICO 89241-1980 (505) 393-6161

| OIL CONSERVATION DIVISION P. O. BOX 2088 SANTA FE, NEW MEXICO 87501 | · | OONSERVATION DIVISION RECEIVED OCT 16 AM 10 35 |
|--|---|--|
| RE: Proposed: MC DHC NSL X NSP SWD WFX PMX | - - - - - - - | 10 35 |
| Gentlemen: | | |
| I have examined the application of the second of the secon | cation for the: Crps. West Lowington Un Lease & Well No. Unix S-1 | ict # 65-K) 1#66-P I-R 4-17-36 5-17-36 |
| and my recommendations are | | |
| | | |
| | | |
| Yours very truly, Verry Sexton Supervisor, District 1 | | |