



No Offsets

GREENHILL PETROLEUM CORPORATION

Incorporated in Delaware, U.S.A.

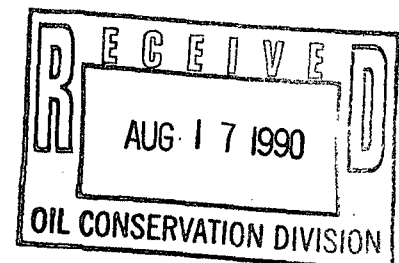
Mike

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

F-4-175-36E

August 14, 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. 72
West Lovington Unit
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 72 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 water-flood sweep efficiency and will increase secondary oil recovery. The proposed location for Well Number 72 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

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

A handwritten signature in cursive script, appearing to read "Michael J. Newport".

Michael J. Newport
Landman

MJN:ntd
Enclosures
WLU040

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 1-1-59

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.

B4286-1

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work: DRILL ☒ RE-ENTER ☐ DEEPEN ☐ PLUG BACK ☐		7. Lease Name or Unit Agreement Name West Lovington Unit			
b. Type of Well: OIL WELL ☒ GAS WELL ☐ OTHER ☐		8. Well No. 72			
2. Name of Operator GREENHILL PETROLEUM CORPORATION		9. Pool name or Wildcat Lovington San Andres West			
3. Address of Operator 16010 Barker's Point Lane, Suite 325, Houston, TX					
4. Well Location Unit Letter <u>F</u> : <u>2600</u> Feet From The <u>North</u> Line and <u>1350</u> Feet From The <u>West</u> Line Section <u>4</u> Township <u>17S</u> Range <u>36E</u> NMPM <u>Lea</u> County					
10. Proposed Depth 5230'		11. Formation San Andres			
12. Rotary or C.T. Rotary					
13. Elevations (Show whether DF, RT, GR, etc.) 3892.3		14. Kind & Status Plug. Bond Blanket on file			
15. Drilling Contractor TBD		16. Approx. Date Work will start 7/30/90			
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#	350'	250	Surface
7 7/8	5 1/2	15.5#	5235'	1400	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

Landman

DATE

8/2/90

TYPE OR PRINT NAME

TELEPHONE NO.

(This space for State Use)

APPROVED BY

TITLE

DATE

CONDITIONS OF APPROVAL, IF ANY:

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

State of New Mexico
Energy, Minerals and Natural Resources Department

Form C-182
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

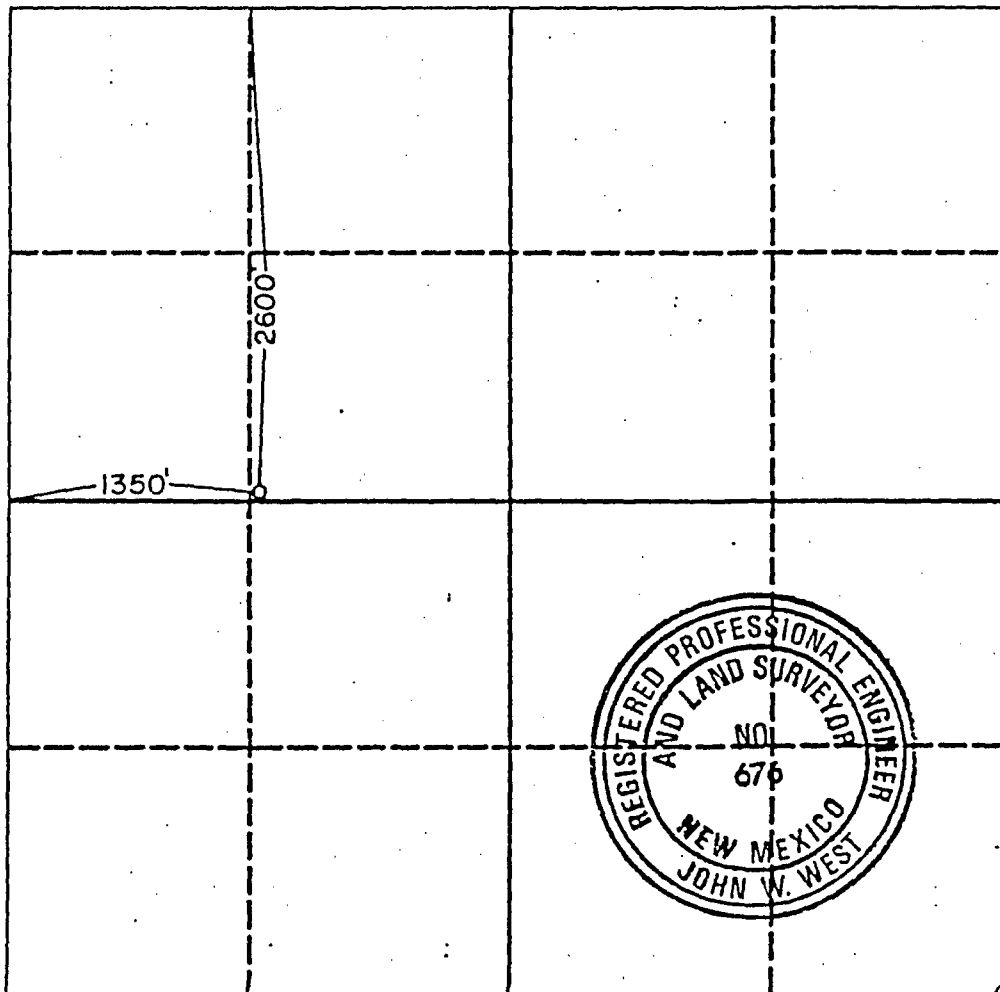
DISTRICT III
1000 Rio Benito Rd., Aztec, NM 87410

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

Operator GREENHILL PETROLEUM CORPORATION			Lease West Lovington Unit		Well No. 72
Unit Letter F	Section 4	Township 17 South	Range 36 East	County Lea	
Actual Footage Location of Well: 2600 feet from the North line and 1350 feet from the West line					
Ground level Elev. 3892.3		Producing Formation		Pool	Dedicated Acreage: 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 _____
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

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
July 19, 1990
Signature & Seal of
Professional Surveyor
Ronald J. Eidson
Certificate No. JOHN W. WEST, 676
RONALD J. EIDSON, 3239

OIL CONSERVATION DIVISION

P.O. Box 2083

Santa Fe, New Mexico 87504-2083

DISTRICT I
P.O. Box 1903, Hobbs, NM 88240

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

All Distances must be from the outer boundaries of the section

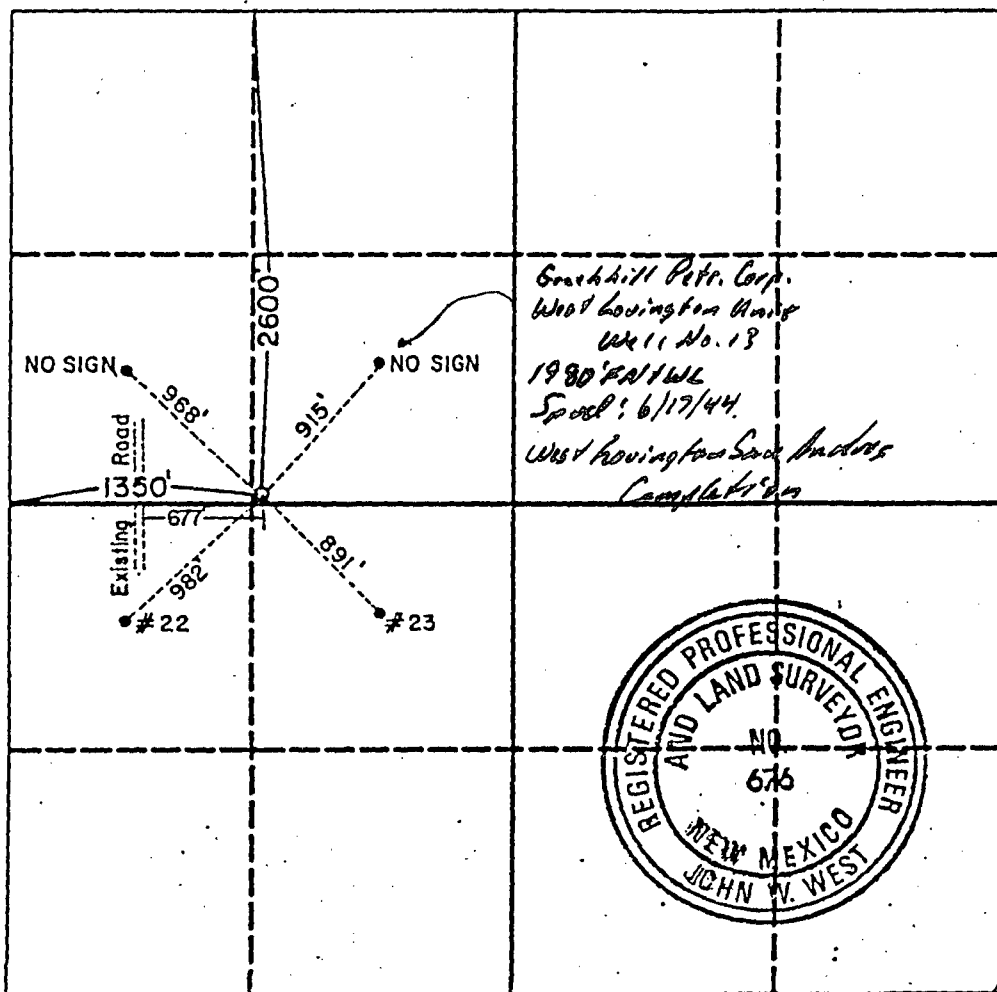
Operator GREENHILL PETROLEUM CORPORATION			Lease West Lovington Unit		Well No. 72
Unit Letter F	Section 4	Township 17 South	Range 36 East	County Lea	

Actual Footage Location of Well:

2600 feet from the North line and 1350 feet from the West line

Ground level Elev. 3892.3	Producing Formation	Pool	Dedicated Acreage: Acres
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- Outline the acreage dedicated to the subject well by colored pencil or ink lines 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 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, force-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 <i>Michael J. Newport</i>
Printed Name Michael J. Newport
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 July 19, 1990
Signature & Seal of Professional Surveyor <i>John V. West</i>
Professional Surveyor JOHN V. WEST, 676
RONALD J. ECKHORN, 3239



GREENHILL PETROLEUM CORPORATION
B O P PROGRAM FOR
WEST LOVINGTON UNIT #72

<u>Casing Program</u>				<u>B O P Program</u>	
<u>Size</u>	<u>Depth</u>	<u>Wt</u>	<u>Grade</u>	<u>Configuration</u>	<u>Test Program</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