



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.

September 5, 1990

*188' ESE - S' EWB
M-31-165-37E*

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

*- well is 5' from 1/4 1/4
Section line
- No offset.*

Attn: Mike Stogner

Re: Lovington San Andres Unit Area
Lea County, New Mexico

REC'D SEP 17 1990
OIL CONSERVATION DIVISION
SEP 17 9 07 AM

Greenhill Petroleum Corporation has requested a drilling permit covering Well Numbers 62, 63, 64, 65, 66, 67, and 68 on a 20 acre infill density in the Lovington San Andres Unit. Well Numbers 62, 63, 65 and 66 are in the forty acre units which are on the perimeter of the unit. Greenhill is the operator of the Lovington Paddock Unit which is the acreage offsetting these tracts. Therefore, all offset operators have been notified.

Respectfully yours,

GREENHILL PETROLEUM CORPORATION

Michael J. Newport
Landman

MJN:ntd
Enclosures
LSA022



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.

September 5, 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. 68
Lovington San Andres 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 68 in the Lovington San Andres Unit, located in Lea County, New Mexico.

The Lovington San Andres 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 68 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,

GREENHILL PETROLEUM CORPORATION

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

Michael J. Newport
Landman

MJN:ntd
Enclosures
WLU060



GREENHILL PETROLEUM CORPORATION

CONSERVATION DIVISION
RECEIVED

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

Incorporated in Delaware, U.S.A.

'90 SEP 25 AM 8 40

188' FSL - 5' FWL

September 19, 1990

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

M-31-165-37E

Attn: Michael Stogner

Re: Lovington San Andres
Les County, New Mexico

Dear Mr. Stogner:

Enclosed find the C101 and C102 forms covering Well Nos. 62, 63, 64, 65, 66, 67 and 68. Also enclosed is a plat covering the area.

Very truly yours,

Michael J. Newport
Michael J. Newport
Landman

MJN:JB

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.
B7896

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

7. Lease Name or Unit Agreement Name
Lovington San Andres Unit

2. Name of Operator
Greenhill Petroleum Corporation

8. Well No.
68

3. Address of Operator
16010 Barkers Point Lane, Suite 325, Houston, TX 77079

9. Pool name or Wildcat
Lovington Grayburg San Andres

4. Well Location
Unit Letter M : 188 Feet From The South Line and 10 Feet From The West Line
Section 31 Township 16 South Range 37 East NMPM Lea County

10. Proposed Depth
5100
11. Formation
San Andres
12. Rotary or C.T.
Rotary

13. Elevations (Show whether DF, RT, GR, etc.)
3818.7 GR
14. Kind & Status Plug. Bond
Blanket on File
15. Drilling Contractor
TBD
16. Approx. Date Work will start
12/1/90

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'	300	Surface
7 7/8	5 1/2	15.5	5100'	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 Newport TITLE Landman DATE 10-23-90

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

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 Lovington San Andres Unit		Well No. 68
Unit Letter M	Section 31	Township 16 South	Range 37 East	County Lea

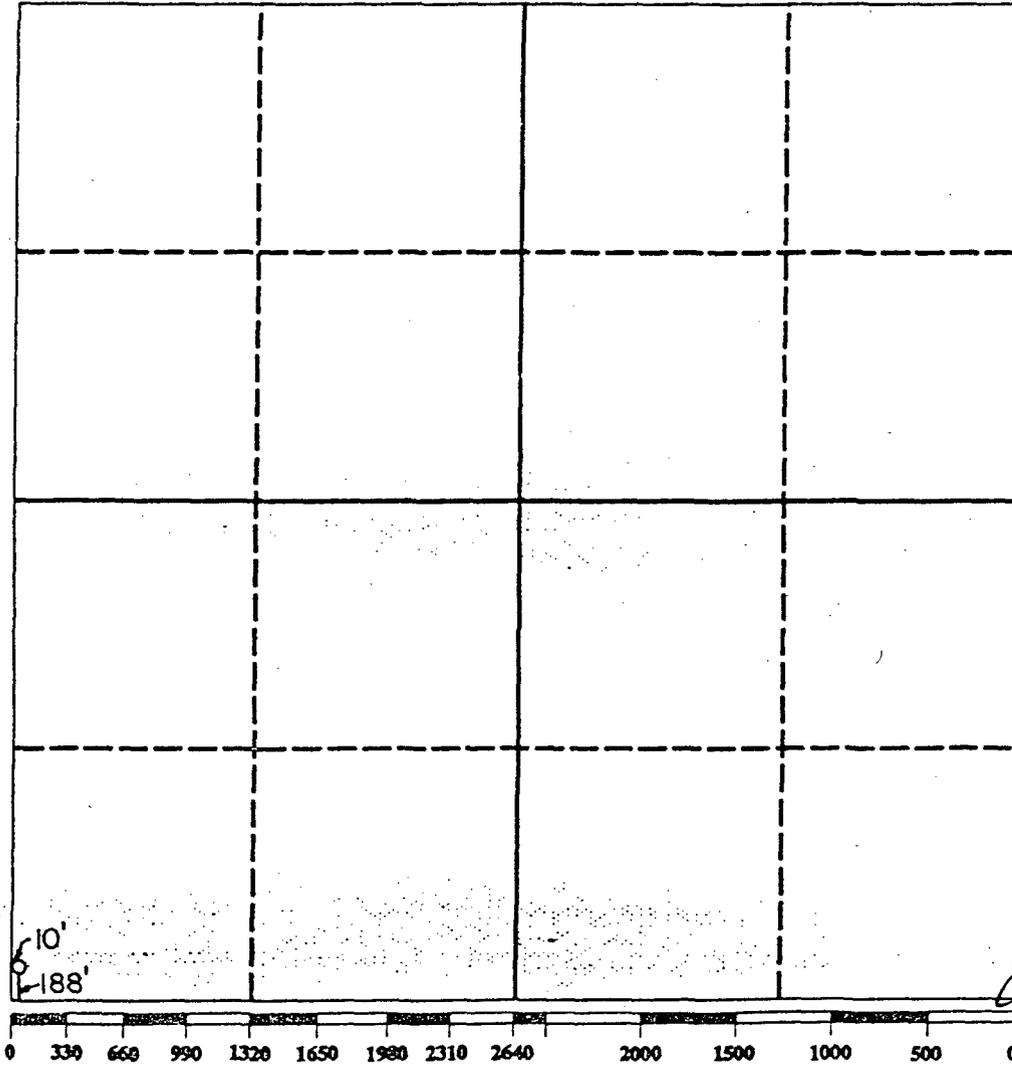
Actual Footage Location of Well:
188 feet from the South line and 10 feet from the West line

Ground level Elev. 3818.7	Producing Formation San Andres	Pool Lovington Grayburg San Andre	Dedicated Acreage: 20 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: Landman
 Company: Greenhill Petroleum Corp.
 Date: 10-23-90

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: August 20, 1990

Signature & Seal of Professional Surveyor:
John W. West
 Certificate No. 1239
 JOHN W. WEST
 REGISTERED PROFESSIONAL ENGINEER AND LAND SURVEYOR
 NO. 1239
 JOHN W. WEST
 1239



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 23, 1990

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

Re: Lovington San Andres
Well Nos. 64,65 and 68
Lea County, NM

Enclosed please find six copies of forms C-101 and C-102 for each of the wells listed below:

Well Numbers: 64, 65 and 68

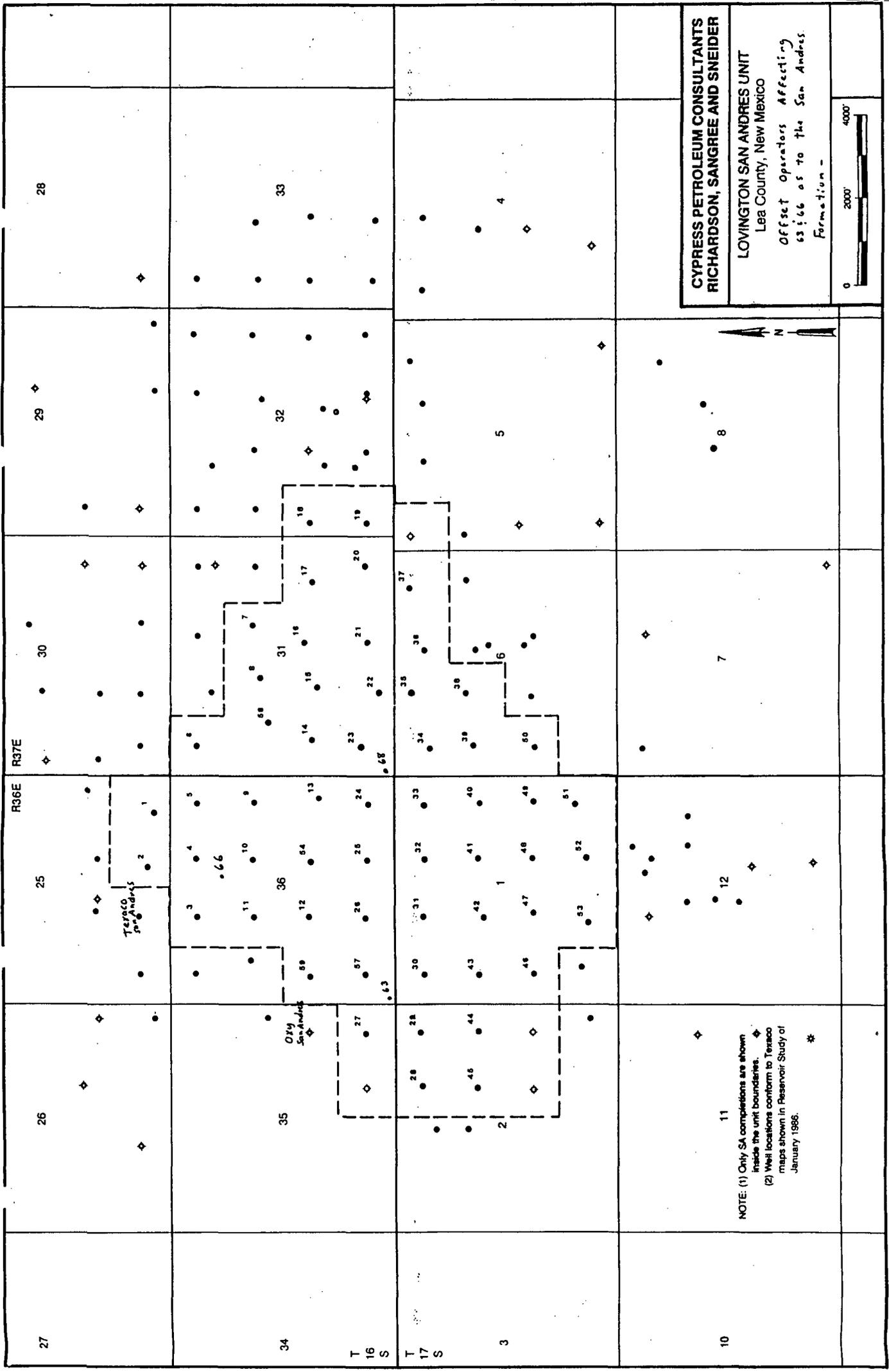
Also enclosed are copies of letters I have sent to Mike Stogner.

Sincerely,

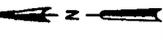
Michael J. Newport
Landman

MJN:JB
Enclosures

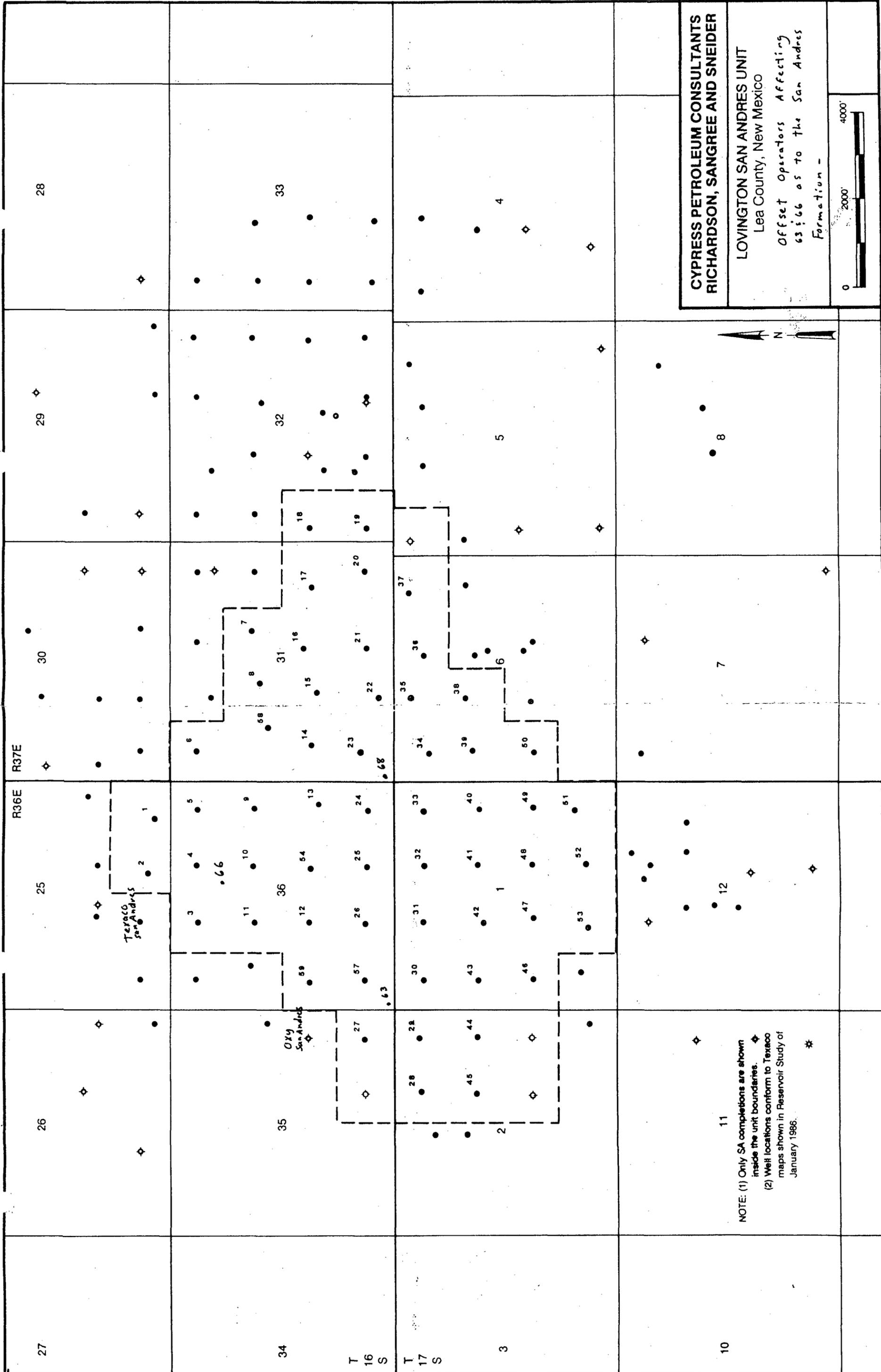
cc: Mike Stogner
Oil Conservation Division
P.O. Box 2088
Santa Fe, NM 87504-2088



CYPRESS PETROLEUM CONSULTANTS
RICHARDSON, SANGREE AND SNEIDER
 LOVINGTON SAN ANDRES UNIT
 Lea County, New Mexico
 Offset Operators Affecting
 63:66 as to the San Andres
 Formation -



NOTE: (1) Only SA completions are shown
 inside the unit boundaries. ◆
 (2) Well locations conform to Terasco
 maps shown in Reservoir Study of
 January 1986. *



**CYPRESS PETROLEUM CONSULTANTS
 RICHARDSON, SANGREE AND SNEIDER**
 LOVINGTON SAN ANDRES UNIT
 Lea County, New Mexico
 Offset Operators Affecting
 63566 as to the San Andres
 Formation -

NOTE: (1) Only SA completions are shown
 inside the unit boundaries. ◆
 (2) Well locations conform to Texaco
 maps shown in Reservoir Study of
 January 1986. *





STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

September 28, 1990

Greenhill Petroleum Corp.
12777 Jones Road
Suite 375
Houston, TX 77070

Attention: Michael J. Newport

*RE: Unorthodox oil well locations, Lovington San Andres Unit
Well Nos. 63, 64, 65, 66 and 68, Lovington Grayburg San
Andres Pool, Lea County, New Mexico.*

Dear Mr. Newport:

Having reviewed many applications from Greenhill Petroleum Corporation for unorthodox oil well locations in waterflood project areas in the last several months, the same errors and oversights to the General Rules continue to occur. Small as these oversights may be, they consistently take your time and mine causing delays in the processing of the applications, and in most cases, preventing the applications from being considered administratively.

I have attached a copy of General Rule 104.F, which is the requirements for unorthodox locations. In particular, Paragraph F.I. states, in part:

"to permit the completion of an efficient production and injection pattern within a secondary recovery or pressure maintenance project, provided that any such unorthodox location within such project is no closer than 330 feet to the outer boundary of the lease or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary."

It appears that Well Nos. 64, 65 and 68 are only five feet from one of these interior boundaries. Therefore, these applications cannot be approved administratively and will require a hearing. Please contact me at your earliest convenience should you desire to have these set for the next examiner hearing.

Greenhill Petroelum Corp.
Attention: Michael J. Newport
September 28, 1990
Page 2

Also, Paragraph 104.IV states that, "all operators of proration or spacing units offsetting the unit for which the unorthodox location is sought shall be notified..." Both the NW/4 NE/4 (Unit B) and the SW/4 SW/4 (Unit M) of Section 36, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, in which the No. 63, 65 and 66 wells are located, are situated at the border of the Unit Area by their northwest corners. Your application stated that Greenhill is the operator of the Lovington Paddock Unit which is the acreage offsetting these tracts; however, these particular applications are for wells in the San Andres formation and I'm still unclear by looking at the land plat provided as to who controls the San Andres formation in the offsetting area.

So that the remaining applications may be processed, please address these concerns as soon as possible.

Should you have any questions concerning this matter, please contact me. Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal line extending to the right.

Michael E. Stogner
Chief Hearing Officer/Engineer

MES/ag

Oil Conservation Division - Hobbs

size or shape of the unit is necessitated by a variation in the legal subdivision of the U. S. Public Land Surveys, or the following facts exist and the following provisions are complied with:

- (a) The non-standard unit consists of quarter-quarter sections or lots that are contiguous by a common bordering side.
- (b) The non-standard unit lies wholly within a single governmental quarter section if the well is completed in a pool or formation for which 160 acres is the standard unit size or wholly within a single governmental half section if the well is completed in a pool or formation for which 320 acres is the standard unit size.
- (c) The applicant presents written consent in the form of waivers from all offset operators and from all operators owning interests in the quarter section (for 160-acre pools or formations) or the half section (for 320-acre pools or formations) in which the non-standard unit is situated and which acreage is not included in said non-standard unit.
- (d) In lieu of paragraph (c) of this rule, the applicant may furnish proof of the fact that all of the aforesaid operators were notified by registered or certified mail of his intent to form such non-standard unit. The Director may approve the application if no such operator has entered an objection to the formation of such non-standard unit within 30 days after the Director has received the application.

E. Form C-101, Application for Permit to Drill, Deepen, or Plug Back for any well shall designate the exact legal subdivision allotted to the well and no Form C-101 will be approved by the Division or any of its agents without such proper designation of acreage.

F. UNORTHODOX LOCATIONS

I. The Division Director shall have authority to grant an exception to the well location requirements of Sections B and C above without notice and hearing when the necessity for such unorthodox location is based upon topographical conditions, the recompletion of a well previously drilled to a deeper horizon, provided said well was drilled at an orthodox or approved unorthodox location for such original horizon, or ~~to permit the completion of an efficient production and injection pattern within a secondary recovery or pressure maintenance project, provided that any such unorthodox location within such project is no closer than 330 feet to the outer boundary of the lease or the unitized area, nor closer than 10 feet to any quarter-quarter section line or subdivision inner boundary.~~

II. The Division Director shall have authority to grant an exception to the well location requirements of Rule 104 B.I.(a) and Rule 104 C.II.(a) without notice and hearing when the necessity for such unorthodox location is based upon geologic conditions provided that any such unorthodox location shall be no closer than 660 feet to the nearest side boundary nor closer than 990 feet to the nearest end boundary of the proration unit.

III. Applications for administrative approval of unorthodox locations shall be filed in triplicate and shall be accompanied by plats, showing the ownership of all leases offsetting the proration or spacing unit for which the unorthodox location is sought, and also all wells completed thereon. If the proposed unorthodox location is based upon topography, the plat shall also show and describe the existent topographical conditions. If the proposed unorthodox location is based upon completion of an efficient production and injection pattern, the plat shall also show the project outline identifying all producing and injection wells therein, and the applicant shall further include a statement setting forth the necessity for such location. If the proposed unorthodox location is based upon geology as provided in Paragraph II above, the application shall include

appropriate geologic maps, cross-sections, and/or logs, and a discussion of the geologic conditions which result in the necessity for the unorthodox location.

IV. All operators of proration or spacing units offsetting the unit for which the unorthodox location is sought shall be notified of the application by certified or registered mail, and the application shall state that such notification has been given. The Division Director may approve the unorthodox location upon receipt of waivers from all offset operators or if no offset operator has entered an objection to the unorthodox location within 20 days after the Director has received the application.

V. The Division Director may, at his discretion, set any application for administrative approval of an unorthodox location for public hearing.

G. Whenever an exception is granted, the Division may take such action as will offset any advantage which the person securing the exception may obtain over other producers by reason of the unorthodox location.

H. If the drilling tract is within an allocated oil pool or is placed within such allocated pool at any time after completion of the well and the drilling tract consists of less than $39\frac{1}{2}$ acres or more than $40\frac{1}{2}$ acres, the top unit allowable for such well shall be increased or decreased in the proportion that the number of acres in the drilling tract bears to 40.

I. If the drilling tract is within an allocated gas pool or is subsequently placed within an allocated gas pool, and the drilling tract consists of less than 158 acres or more than 162 acres in 160-acre pools, or less than 316 acres or more than 324 acres in 320-acre pools, the top allowable for such well shall be decreased or increased in the proportion that the number of acres in the drilling tract bears to a standard unit for the pool.

J. In computing acreage under H and I above, minor fractions of an acre shall not be counted but $\frac{1}{2}$ acres or more shall count as 1 acre.

K. The provisions of H and I above shall apply only to wells completed after January 1, 1950. Nothing herein contained shall affect in any manner any well completed prior to the effective date of this rule and no adjustments shall be made in the allowable production for any such wells by reason of these rules.

L. In order to prevent waste the Division may, after notice and hearing, fix different spacing requirements and require greater acreage for drilling tracts in any defined oil pool or in any defined gas pool notwithstanding the provisions of B and C above.

M. The Division may approve the pooling or communitization of fractional lots of 20.49 acres or less with another oil proration unit when:

1. The units involved are contiguous;
2. They are part of the same basic lease, carrying the same royalty interest; and
3. The ownership of the units involved is common.

Application to the Division for pooling shall be accompanied by three (3) copies of a certified plat showing the dimensions and acreage involved in the pooling, the ownership of all leases and royalty interests involved, and the location of any proposed wells.

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.
 B7896

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		
b. Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			Lovington San Andres Unit		
2. Name of Operator Greenhill Petroleum Corporation			8. Well No. 68		
3. Address of Operator 16010 Barker's Point Lane, Ste. 325, Houston, Texas 77079			9. Pool name or Wildcat Lovington Grayburg San Andres		
4. Well Location Unit Letter <u>M</u> : <u>188</u> Feet From The <u>South</u> Line and <u>5</u> Feet From The <u>West</u> Line Section <u>31</u> Township <u>16 South</u> Range <u>37 East</u> NMPM <u>Lea</u> County					
10. Proposed Depth 5100		11. Formation San Andres		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 3818.7 GR		14. Kind & Status Plug. Bond Blanket on File		15. Drilling Contractor TBD	
16. Approx. Date Work will start 10/1/90					
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'	300	Surface
7 7/8	5 1/2	15.5	5100'	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 9/13/90
 TYPE OR PRINT NAME Michael J. Newport TELEPHONE NO. 713 955 1146

(This space for State Use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

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

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

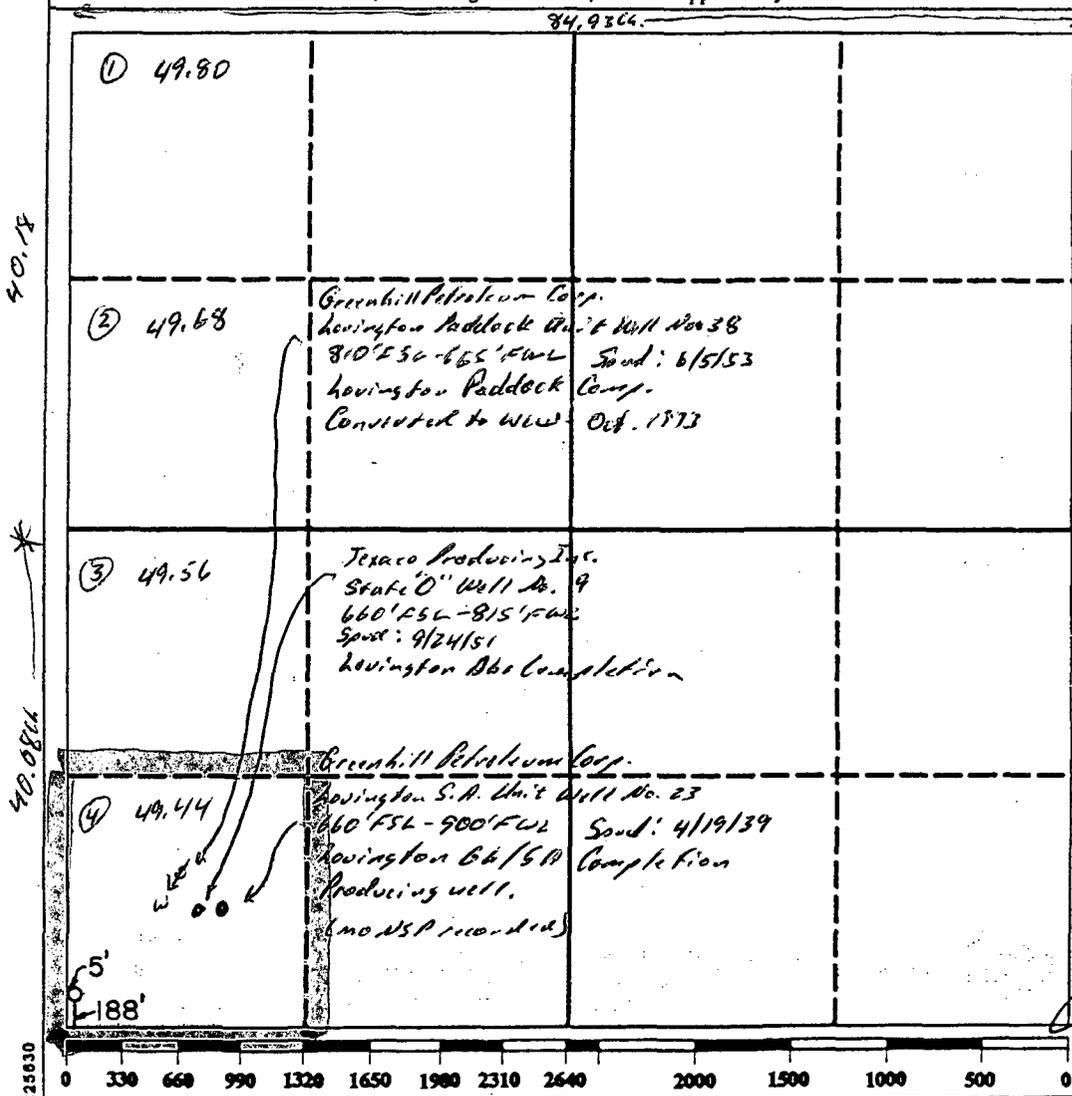
DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

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 Lovington San Andres Unit		Well No. 68
Unit Letter M	Section 31	Township 16 South	Range 37 East	County Lea	
Actual Footage Location of Well: 188 feet from the South line and 5 feet from the West line					
Ground level Elev. 3818.7	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
Richard J. Newport

Printed Name
Michael J. Newport

Position
Landman

Company

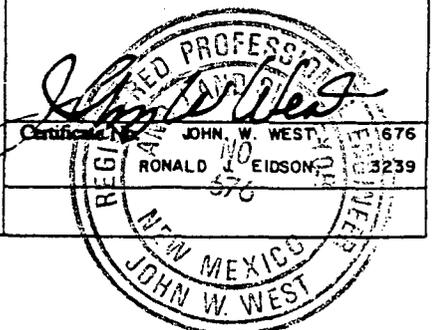
Date

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
August 20, 1990

Signature & Seal of
Professional Surveyor



(PLAINS UNIT—Cont'd.)

event of subsequent joinder by any party, the unit operator shall file with the Commission within 30 days after such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Director of the United States Geological Survey, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission in writing of such termination.

(5) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

LOVINGTON SAN ANDRES UNIT
Lea County, New Mexico

Order No. R-2277, Approving the Lovington San Andres Unit Agreement, Lea County, New Mexico, July 12, 1962.

Application of Skelly Oil Company for the approval of a unit agreement, Lea County, New Mexico.

CASE NO. 2593
Order No. R-2277

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on June 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 12th day of July, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the applicant, Skelly Oil Company, seeks approval of the Lovington San Andres Unit Agreement embracing 2,470 acres, more or less, in Township 16 and 17 South, Ranges 36 and 37 East, NMPM, Lea County, New Mexico.

(3) That the proposed unit plan will in principle tend to promote the conservation of oil and gas and the prevention of waste.

IT IS THEREFORE ORDERED:

(1) That the Lovington San Andres Unit Agreement is hereby approved.

PROVIDED HOWEVER, That notwithstanding any of the provisions contained in said unit agreement, this approval shall not be considered as waiving or relinquishing, in any manner, any right, duty, or obligation which is now, or may hereafter be, vested in the New Mexico Oil Conservation Commission by law relative to the supervision and control of operations for exploration and development of any lands committed to said Lovington San Andres Unit Agreement, or relative to the production of oil and gas therefrom.

(2) That the unit area shall be:
LEA COUNTY, NEW MEXICO

TOWNSHIP 16 SOUTH, RANGE 36 EAST, NMPM

Section 25: S/2 SE/4

Section 35: S/2 SE/4

Section 36: E/2, E/2 NW/4, and SW/4

TOWNSHIP 16 SOUTH, RANGE 37 EAST, NMPM

Section 31: Lots 1, 2, 3, 4, SE/4 NW/4, E/2 SW/4, SW/4 NE/4, and SE/4

Section 32: W/2 SW/4

TOWNSHIP 17 SOUTH, RANGE 36 EAST, NMPM

Section 1: Lots 1, 2, 3, 4, S/2 N/2, SE/4, N/2 SW/4, and SE/4 SW/4

Section 2: Lots 1, 2, S/2 NE/4, N/2 SE/4

TOWNSHIP 17 SOUTH, RANGE 37 EAST, NMPM

Section 5: Lot 4

Section 6: Lots 1, 2, 3, 4, 5, 6, and SE/4 NW/4 containing 2,470 acres, more or less.

(3) That the unit operator shall file with the Commission an executed original or executed counterpart of the unit agreement within 30 days after the effective date thereof. In the event of subsequent joinder by any party, the unit operator shall file with the Commission within 30 days after such action counterparts of the unit agreement reflecting the subscription of those interests having joined or ratified.

(4) That this order shall become effective upon the approval of said unit agreement by the Commissioner of Public Lands for the State of New Mexico, and shall terminate ipso facto upon the termination of said unit agreement. The last unit operator shall notify the Commission in writing of such termination.

(5) That in the event of subsequent joinder by any party owning an interest in Federal lands, said joinder shall become effective only upon the approval of said unit agreement by the Director of the United States Geological Survey.

(6) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

SECTION IV

R. W. Byram & Co., - Feb., 1968

R. W. BYRAM & CO., -A

(LOVINGTON-SAN ANDRES POOL) PC

WATERFLOODING
New Mexico

PROVIDED HOWEVER, That the Kennedy-Johnson A Well No. 4 and the well to be drilled in Unit M shall not be placed on injection prior to September 1, 1962.

(2) That the waterflood project shall be governed by Rule 701, including the allowable provisions thereof.

PROVIDED HOWEVER, That unless otherwise agreed to by all parties and evidence thereof furnished the Commission, the transfer of allowables within the project area of this waterflood shall be authorized only insofar as the transfer is made between wells having common royalty ownership.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

(2) That the application to institute a secc San Andres Pool in comprising portions of and 37 East, NMPM, 1 of water into the San cated in said unit are
(3) That the wells advanced state of de as "stripper" wells.
(4) That the wat should be governed b

IT IS THEREFOR

(1) That the app authorized to institut San Andres Pool in t: prising portions of T: 37 East, NMPM, Lea water into the San . described 17 wells:

Well

Late Oil Co. Graham Skelly - State "N" Rodman Noel State "

Tidewater - State "M

Skelly - State "O" :
Skelly - State "O" :
Tidewater - State "F
Moran Shipp - State
Skelly - Caylor #1
Sunray DX - M. Cay
Amerada - State "L
Pan American - Stat
Pan American - Stat
Mobil - State "R" :
Amerada - State "L
Mobil - State "R" :
Pan American and .

(2) That the su by the provisions visions thereof and pansion of the wat

(3) That juriaid entry of such furt necessary.

DONE at Santa inabove designated.

CASE NO. 2580
Order No. R-2270

COMMISSION

cause came on for hearing at at Santa Fe, New Mexico, before uly appointed by the Oil Com- Mexico, hereinafter referred to rdance with Rule 1214 of the ons.

June, 1962, the Commission, a considered the application, the mmendations of the Examiner, fully advised in the premises,

having been given as required by ction of this cause and the subject

ter Flood Associates, Inc., is wnship 16 South, Range 31 East, co.

approval of a waterflood project injection of water to be through

proposed project area are in an should be classified as "stripper"

subject application will neither lative rights; provided, however, arties, the transfer of allowables lty ownership is diverse should

D: ter Flood Associates, Inc., is te a waterflood project in the ion of water through the follow- Section 35, Township 16 South, ounty, New Mexico:

o. 4, Unit E;
o. 5, Unit O;
1, Unit G;
3, Unit K; and
drilled in Units C and M.

LOVINGTON-SAN ANDRES POOL
(Skelly Unit Waterflood)
Lea County, New Mexico

Order No. R-2278, Authorizing Skelly Oil Company to Institute a Secondary Recovery Project in the Lovington San Andres Unit Area in the Lovington-San Andres Pool, Lea County, New Mexico, July 12, 1962.

Application of Skelly Oil Company for Approval of a Secondary Recovery Project, Lea County, New Mexico.

CASE NO. 2592
Order No. R-2278

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on June 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Oil Conservation Commission of New Mexico, hereinafter referred to as the "Commission," in accordance with Rule 1214 of the Commission Rules and Regulations.

NOW, on this 12th day of July, 1962, the Commission, a quorum being present, having considered the application, the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

Co., - Feb., 1968

-Johnson A Well shall not be placed

governed by Rule

otherwise agreed to the Commission, area of this water-transfer is made up.

needed for the entry deemed necessary.

and year herein-

DL

Company to Institute Lovington San Andres Lea County, New

CASE NO. 2592 Order No. R-2278

in for hearing at Santa Fe, New Mexico, by the Oil Commissioner referred to Rule 1214 of the

Commission, a application, the the Examiner, uses,

when as required in this cause and the

(LOVINGTON-SAN ANDRES (SKELLY UNIT WATERFLOOD) POOL—Cont'd.)

(2) That the applicant, Skelly Oil Company, seeks permission to institute a secondary recovery project in the Lovington-San Andres Pool in the Lovington San Andres Unit Area comprising portions of Townships 16 and 17 South, Ranges 36 and 37 East, NMPM, Lea County, New Mexico, by the injection of water into the San Andres formation through 17 wells located in said unit area.

(3) That the wells in the proposed project area are in an advanced state of depletion and should properly be classified as "stripper" wells.

(4) That the waterflood project should be approved and should be governed by the provisions of Rule 701.

IT IS THEREFORE ORDERED:

(1) That the applicant, Skelly Oil Company, is hereby authorized to institute a waterflood project in the Lovington-San Andres Pool in the Lovington San Andres Unit Area comprising portions of Townships 16 and 17 South, Ranges 36 and 37 East, NMPM, Lea County, New Mexico, by the injection of water into the San Andres formation through the following-described 17 wells:

Well	Location
Late Oil Co. Graham #1	Unit D, Sec. 31-16S-37E
Skelly - State "N" #1	Unit B, Sec. 36-16S-36E
Rodman Noel State "AE" #2 (to be drilled)	Unit L, Sec. 36-16S-36E
Tidewater - State "M" #2 (to be drilled)	Unit J, Sec. 36-16S-36E
Skelly - State "O" #2	Unit L, Sec. 31-16S-37E
Skelly - State "O" #4	Unit J, Sec. 31-16S-37E
Tidewater - State "F" #2	Unit L, Sec. 32-16S-37E
Moran Shipp - State "A" #1	Unit D, Sec. 5-17S-37E
Skelly - Caylor #1	Unit B, Sec. 6-17S-37E
Sunray DX - M. Caylor #1	Unit D, Sec. 6-17S-37E
Amerada - State "LA" #6	Unit B, Sec. 1-17S-36E
Pan American - State "E" #3	Unit D, Sec. 1-17S-36E
Pan American - State "E" #10	Unit B, Sec. 2-17S-36E
Mobil - State "R" #4	Unit J, Sec. 2-17S-36E
Amerada - State "LA" #7	Unit L, Sec. 1-17S-36E
Mobil - State "R" #1	Unit J, Sec. 1-17S-36E
Pan American and Amerada - Caylor #1	Unit L, Sec. 6-17S-37E

(2) That the subject waterflood project shall be governed by the provisions of Rule 701, including the allowable provisions thereof and including the provisions with respect to expansion of the waterflood project.

(3) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

ARTESIA POOL (Water Flood Associates Waterflood Eddy County, New Mexico)

Order No. R-2272-A, Establishing a Buffer Zone for the Water Flood Associates Waterflood Project A R-2272, Artesia Pool, Eddy County, New Mexico. Application of Water Flood Associates for the establishment of a Buffer Zone, Eddy County, New Mexico.

ORDER OF THE COMMISSION

BY THE COMMISSION: This cause came on for hearing at 9 o'clock a.m. on June 28, 1962, at Santa Fe, New Mexico, before Elvis A. Utz, Examiner duly appointed by the Conservation Commission of New Mexico to act as the "Commission," in accordance with the Commission Rules and Regulations.

NOW, on this 17th day of July, 1962, the Commission, quorum being present, having considered the evidence adduced, and the recommendations of the Examiner, Elvis A. Utz, and being fully advised in law, do hereby order as follows:

FINDS:

(1) That due public notice having been given by law, the Commission has jurisdiction over the subject matter thereof.

(2) That the applicant, Water Flood Associates, operator of the SE/4 NE/4 of Section 21 of Township 18 South, Eddy County, New Mexico, in its application for approval of Order No. R-2272, was approved by Order No. R-2582 on June 21, 1962.

(3) That the applicant, Water Flood Associates, in its application for the establishment of the above-described buffer zone in its proposed waterflood project in wells in said buffer zone to be assigned.

(4) That Graridge Corporation proposes to operate its waterflood project with unrestricted rates of production in the area immediately adjacent to the subject wells.

(5) That in order to protect the public interest, the subject application should be approved.

IT IS THEREFORE ORDERED:

(1) That the SE/4 NE/4 of Section 21, all in Township 18 South, Eddy County, New Mexico, is hereby authorized to operate its waterflood project at unrestricted rates of production.

(2) That jurisdiction of this cause is retained for the entry of such further orders as the Commission may deem necessary.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.





RECEIVED ENERGY AND MINERALS DIVISION

90 OCT 12 AM 9 26

GARREY CARRUTHERS
GOVERNOR

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

10-8-90

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 _____

- # 63 - m 36-16-36
- # 64 - B - 1-17-36
- # 65 - m 36-16-36
- # 66 - B 36-16-36

Gentlemen:

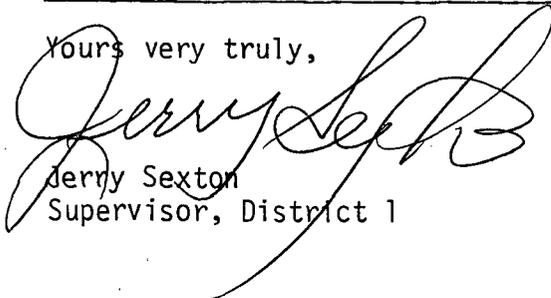
I have examined the application for the:

Greenhill Pet. Corp., Lovington SA Unit ~~# 68 - m - 31-16-37~~
 Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,



Jerry Sexton
Supervisor, District 1

/ed