



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 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. 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



GREENHILL PETROLEUM CORPORATION

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HOUSTON, TEXAS 77070
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FAX (713) 890-2405

Incorporated in Delaware, U.S.A.

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

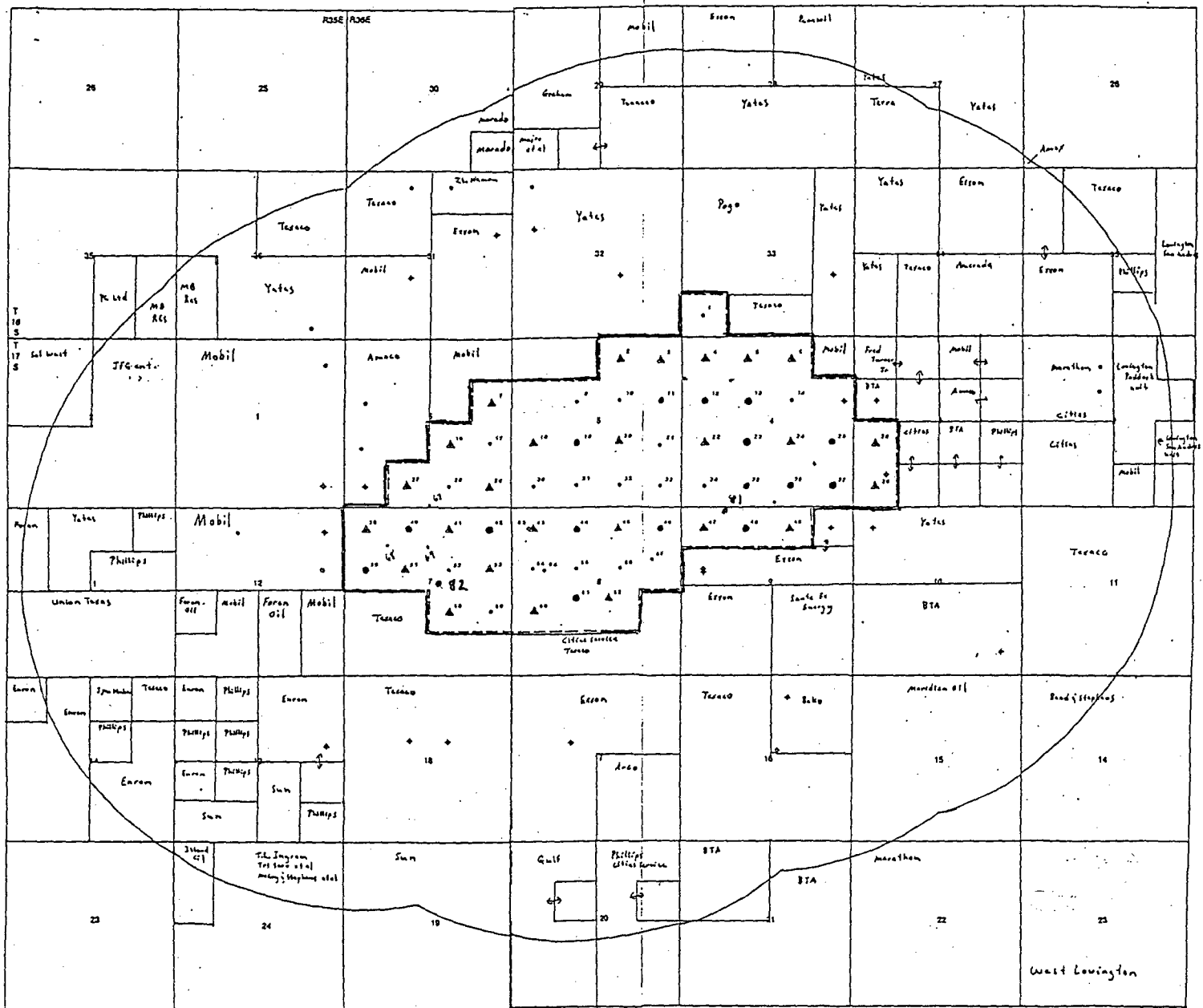
MJN:jb
cc: Mike Stogner/Santa Fe

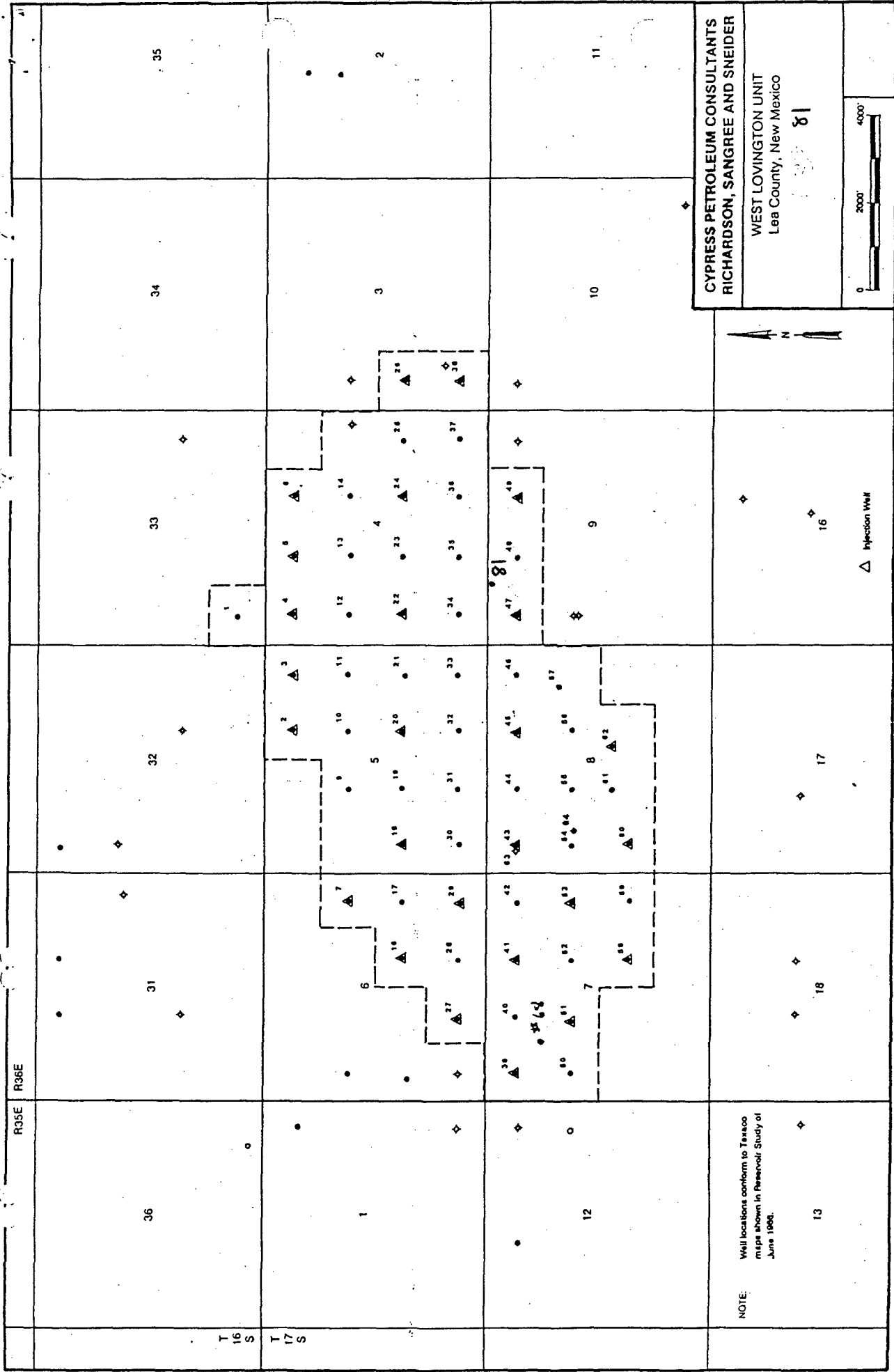
Agreed to and accepted this _____ day of _____, 1991.

Exxon Co. USA

By: _____

Enclosures





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

<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

OIL CONSERVATION DIVISION

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

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

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

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

WELL LOCATION AND ACREAGE DEDICATION PLAT

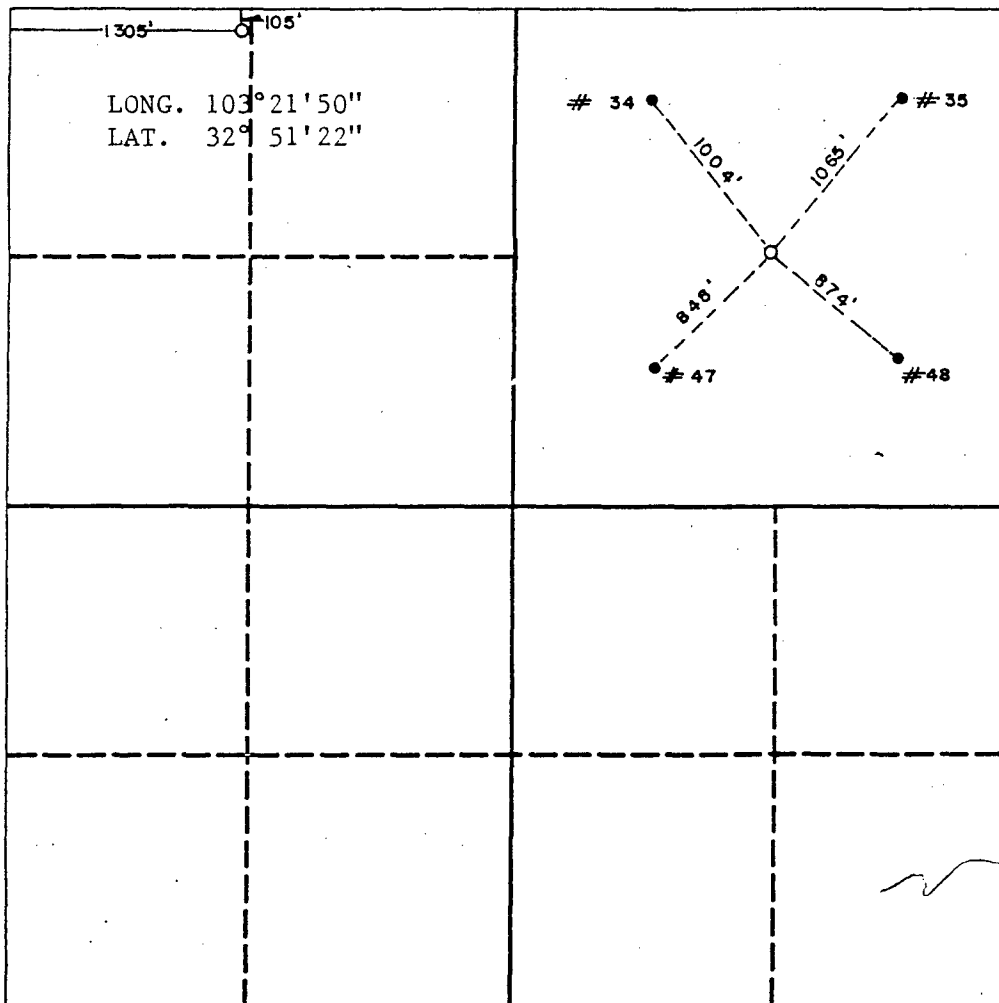
All Distances must be from the outer boundaries of the section

Operator GREENHILL PETROLEUM CORP.			Lease WEST LOVINGTON UNIT		Well No. 81
Unit Letter D	Section 9	Township 17 SOUTH	Range 36 EAST	County 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

- 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 <i>Michael Newport</i>
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

Certificate No. JOHN W. WEST RONALD J. EIDSON	676 3239
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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 ☒

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

West Lovington Unit

2. Name of Operator

Greenhill Petroleum Corporation

8. Well No.

81

3. Address of Operator

11490 Westheimer, Ste., 200, Houston, TX 77077

9. Pool name or Wildcat

West Lovington Uppers San Andre

4. Well Location

Unit Letter D : 105 Feet From The North Line and 1305 Feet From The West Line

Section 9

Township 17S

Range 36E

NMPM lea

County

10. Proposed Depth
5230

11. Formation
San Andres

12. Rotary or C.T.

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 J. 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

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
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 ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
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:

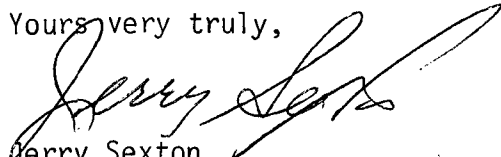
I have examined the application for the:

Greenhill Let. 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



GREENHILL PETROLEUM CORPORATION

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HOUSTON, TEXAS 77070
TELEPHONE (713) 955-1146
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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. 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



GREENHILL PETROLEUM CORPORATION

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HOUSTON, TEXAS 77070
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

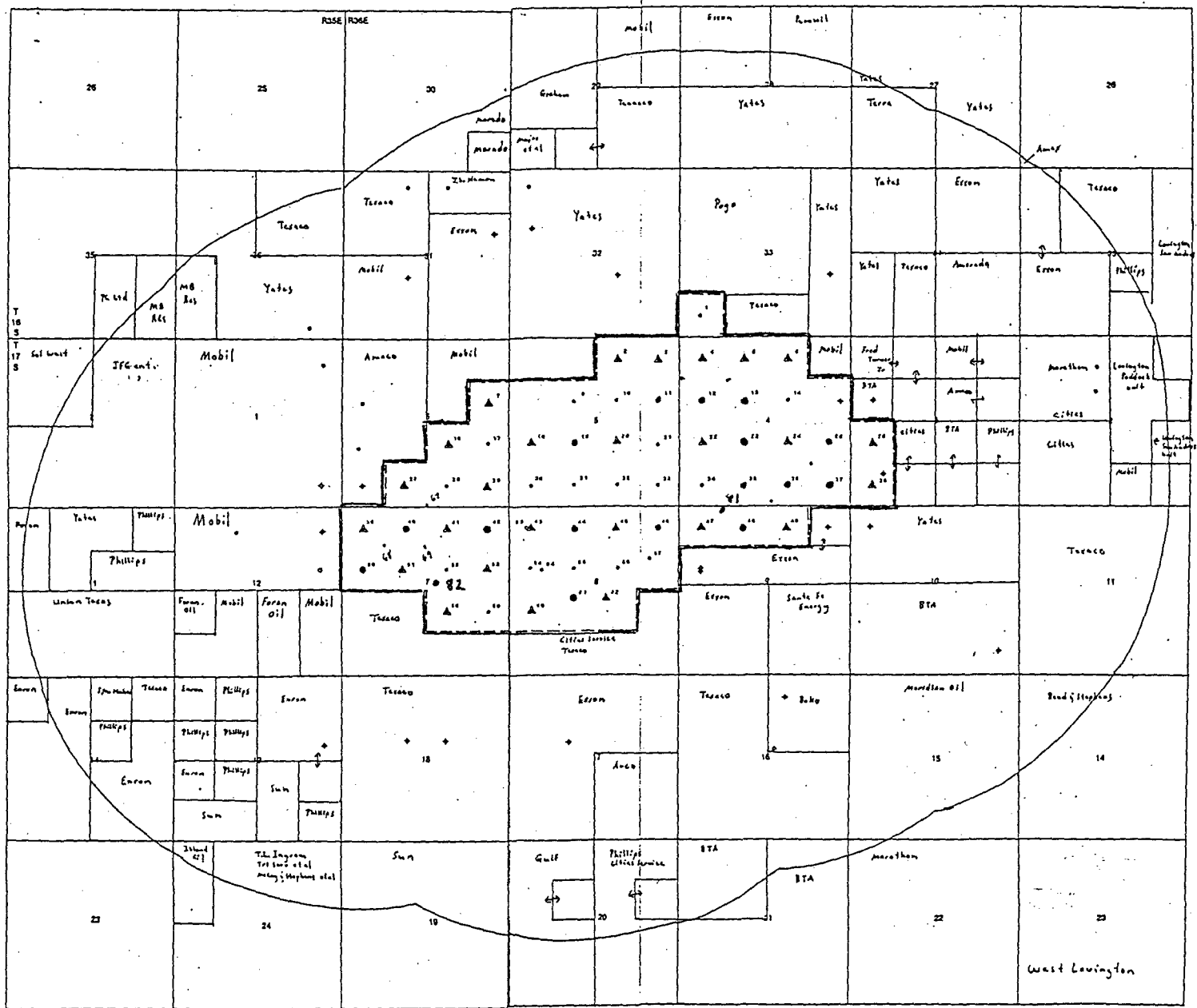
MJN:jb
cc: Mike Stogner/Santa Fe

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

Texaco USA

By: _____

Enclosures



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

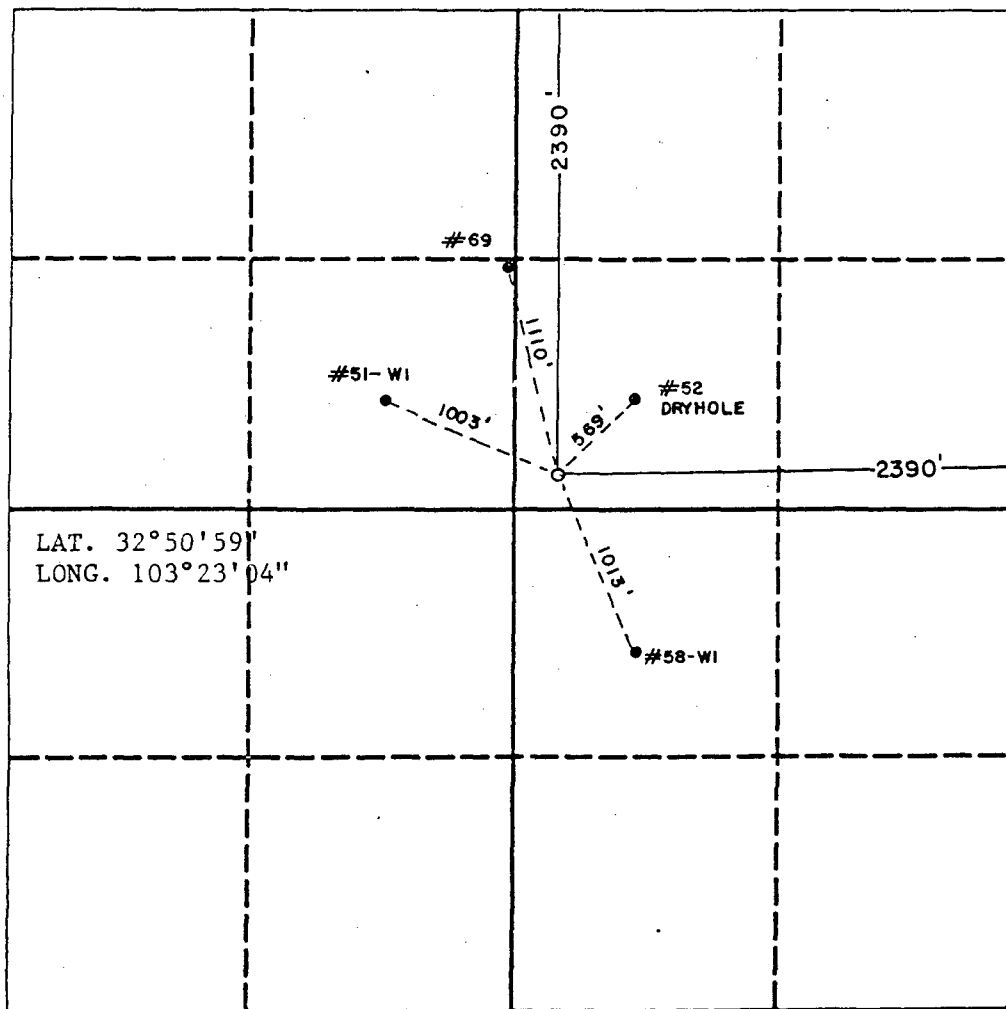
Operator GREENHILL PETROLEUM CORP.			Lease WEST LOVINGTON UNIT		Well No. 82
Unit Letter G	Section 7	Township 17 SOUTH	Range 36 EAST	County NMPM	LEA

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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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 ☐ 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
John W. West
Certificate No. 676 JOHN W. WEST 676
Ronald J. Eidson 3239
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

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P.O. Box 2088

Santa Fe, New Mexico 87504-2088

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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.

B4120

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

West Lovington Unit

2. Name of Operator

Greenhill Petroleum Corporation

8. Well No.

82

3. Address of Operator

11490 Westheimer, Ste., 200, Houston, TX 77077

9. Pool name or Wildcat

West Lovington Upper San Andres

4. Well Location

Unit Letter G : 2390 Feet From The East Line and 2390 Feet From The North Line

Section 7 Township 17 S Range 36 E NMPM Lea County

10. Proposed Depth

5230

11. Formation

San Andres

12. Rotary or C.T.

13. Elevations (Show whether DF, RT, GR, etc.)

3903

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 J. 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
B O P PROGRAM FOR
WEST LOVINGTON UNIT # 82

<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



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
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

RENEWABLE 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:

OT

Yours very truly,

Jerry Sexton
Supervisor, District 1

/ed