

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)

30-025-30752

5. Indicate Type of Lease

STATE ☒

FEE ☐

6. State Oil & Gas Lease No.

B-1505

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.

60

3. Address of Operator

16010 Barker's Point Lane, #325, Houston, TX 77079

9. Pool name or Wildcat

Lovington
Grayburg San Andres

4. Well Location

Unit Letter N : 1283 Feet From The South Line and 2527 Feet From The West Line

Section 31

Township 16S

Range 37E

NMPM

Lea

County

10. Proposed Depth

5300'

11. Formation

San Andres

12. Rotary or C.T.

Rotary

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

3815.7' GL

14. Kind & Status Plug. Bond

Blanket on file

15. Drilling Contractor

TBD

16. Approx. Date Work will start

1-1-90

17. PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17-1/2"	13-3/8"	48#	350'	450	Surface
11"	8-5/8"	24#	2050'	700	Surface
7-7/8"	5-1/2"	15.5#	5300'	200	4150'

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 Gene Linton TITLE Production Coord. DATE 12/5/89

TYPE OR PRINT NAME Gene Linton

(713)
TELEPHONE NO. 870-0606

(This space for State Use)

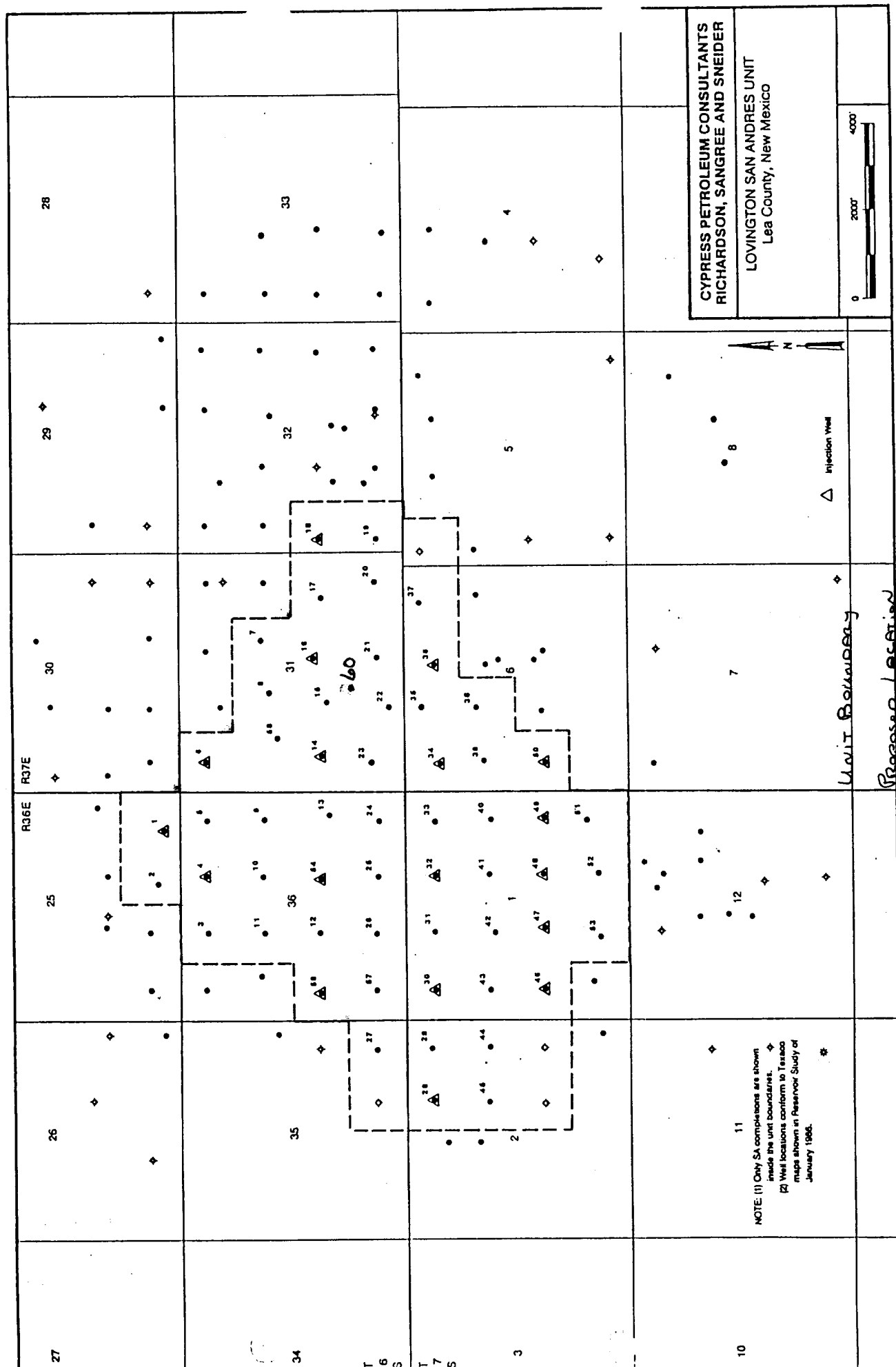
ORIGINAL SIGNED BY JERRY SEXTON
DISTRICT I SUPERVISOR

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

Permit Expires 6 Months From Approval
Date Unless Drilling Underway.

DEC 12 1989





GREENHILL PETROLEUM CORPORATION

16010 BARKER'S POINT LANE, SUITE 325
HOUSTON, TEXAS 77079
TELEPHONE (713) 870-0606
FAX (713) 870-1831

Incorporated in Delaware, U.S.A.

December 5, 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 Location and Drilling Permit
Proposed Well No. 60
Lovington Grayburg San Andres Field
Lovington San Andres 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 location and the attached permit to drill well No. 60 in the Lovington Grayburg San Andres Field, Lovington San Andres Unit, located in Lea County, New Mexico.

The Lovington San Andres 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 No. 60 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 two proposed wells as soon as possible and would appreciate a response to this request at your earliest convenience.

Sincerely,

GREENHILL PETROLEUM CORPORATION


Gene Linton
Production Coordinator

GL/tlc

Enclosures

NEW MEXICO OIL CONSERVATION COMMISSION
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102
Supersedes C-128
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

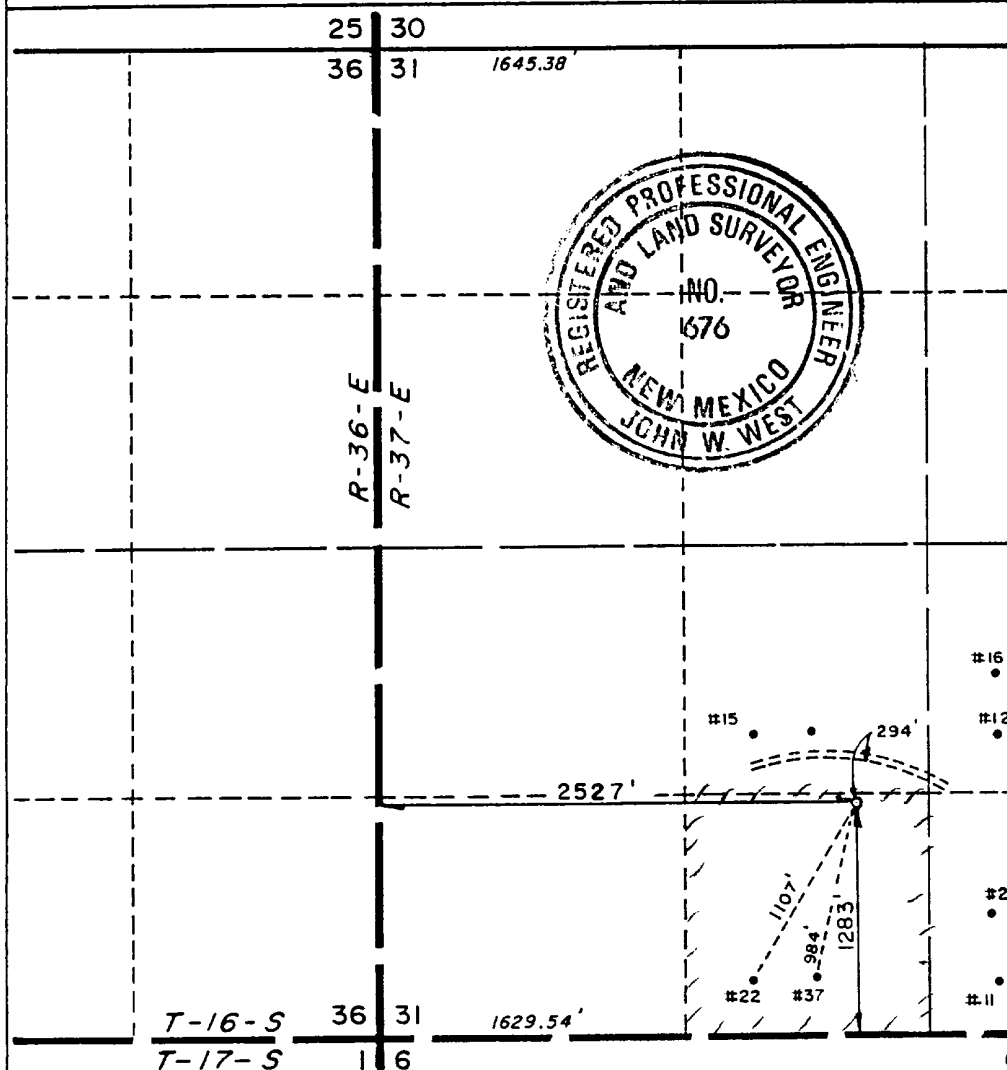
Operator GREENHILL PETROLEUM CORPORATION		Lease LOVINGTON SAN ANDRES UNIT		Well No. 60
Unit Letter N	Section 31	Township 16-S	Range 37-E	County LEA
Actual Footage Location of Well: 1283 feet from the SOUTH line and 2527 feet from the WEST line				
Ground Level Elev. 3815.7	Producing Formation San Andres	Pool Lovington Grayburg San Andres	Dedicated Acreage: 40 20 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 interests 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 interests, has been approved by the Commission.



CERTIFICATION

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

Name
Gene Linton
Position
Production Coordinator
Company
Greenhill Petroleum Corp.
Date
12/5/89

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
NOVEMBER 16, 1989
Registered Professional Engineer and/or Land Surveyor

Certificate No. JOHN W. WEST 676
Ronald J. Eldson 3239

GREENHILL PETROLEUM CORPORATION
BOP PROGRAM FOR
LOVINGTON SAN ANDRES UNIT #60

<u>Casing Program</u>			<u>BOP Program</u>		
Size	Depth	Wt	Grade	Configuration	Test Pressure
13 3/8"	350'	48#	H40, STC	RA	200 psi
8 5/8"	2050'	24#	K55, STC	RR or RA	250/1500 psi
5 1/2"	5300'	15#	K55, STC	N/A	

* RR - Ram Ram
RA - Ram Annular
Diverter - Hydrill may be substituted for a diverter.

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RECEIVED

DEC - 7 1989

OCD
HOBBS OFFICE