

GARREY CARRUTHERS

GOVERNOR

STATE OF NEW MEXICO

ENERGY AND MINERALS DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

12-17-90

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 88241-1980 (505) 393-6161

n 12-2964 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: Lease & Well No. Unit S-T-R and my recommendations are as follows: Jerry Sexton

Supervisor, District 1



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.

November 28, 1990

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. 94 Lovington Paddock 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 94 in the Lovington Paddock Unit, located in Lea County, New Mexico.

The Lovington Paddock 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. 94 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 Landman

MJN:JB Enclosures