



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

BRUCE KING  
GOVERNOR

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

March 7, 1991

Greenhill Petroleum Corporation  
12777 Jones Road  
Suite 375  
Houston, TX 77079

Attention: Michael J. Newport

*Corrected Administrative Order DD-55(NSBHL)*

Dear Mr. Newport:

It appears that the surface location of the Lovington Paddock Unit Well No. 95 is not correct as it appears in Division Administrative Order DD-55(NSBHL), dated December 18, 1990. Therefore, said surface location shall be changed to read "1585 feet from the South line and 432 feet from the West line." All other provisions of said Order DD-55(NSBHL) shall remain in full force and effect until further notice.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Hobbs  
NM State Land Office - Santa Fe

*JS - OK BHL of 1186.65' S & 147.55' W  
this is inside location which is 98.28' from  
approved BHL of 1200' S & 51' W*

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

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 8088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
505-827-8800

December 18, 1990

Greenhill Petroleum Corporation  
12777 Jones Road  
Suite 575  
Houston, TX 77019

Attention: Michael J. Newport

*Administrative Under DD-55(NSB/HLL)*

Dear Mr. Newport:

Under the provisions of General Rule 111 (c), (d) and (e) Greenhill Petroleum Corporation made application to the New Mexico Oil Conservation Division on December 18, 1990, for authorization to directionally drill its proposed Lovington Paddock Unit Well No. 95, Lea County, New Mexico.

The Division Director finds that:

- (1) The application has been duly filed under the provisions of Rule 111(d) and (e) of the Division General Rules and Regulations;
- (2) Under the provisions of General Rule 111-F III, the applicant has requested that the bottomhole location be unorthodox for the purpose of completing an efficient injection/production pattern within their Lovington Paddock Waterflood Project;
- (3) The dedicated acreage for said well is within the applicant's Lovington Paddock Unit area and there are no offsetting operators;
- (4) The applicant has presented satisfactory evidence that all requirements and
- (5) The applicant has presented satisfactory evidence that all requirements prescribed in General Rule 111 will be met.

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Greenhill Petroleum Corporation  
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IT IS THEREFORE ORDERED THAT:

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(1) The applicant, Greenhill Petroleum Corporation, is hereby authorized to directionally drill its Lovington Paddock Unit, Well No. 95, the surface location of which shall be 1585 feet from the South line and 532 feet from the West line (Unit L) of Section 31, Township 16 South, Range 37 East, NMPM, Lea County, New Mexico, by kicking off from the vertical at a depth of approximately 4190 feet, and drilling in such a manner as to bottom at a depth of 6350 in the Lovington Paddock Pool within 50 feet of a point 1204 feet from the South line and 51 feet from the West line of said Section 31, being a non-standard oil well location for said pool.

PROVIDED HOWEVER THAT prior to commencing directional drilling operations into said wellbore, the applicant shall establish the location of the kick-off point by means of a directional survey acceptable to the Division.

PROVIDED HOWEVER THAT during or upon completion of directional drilling operations, the applicant shall conduct an accurate wellbore survey from the kick-off point to total depth in order that the subsurface bottomhole location, as well as the wellbore's true depth and course, may be determined.

(2) The applicant shall notify the supervisor of the Hobbs district office of the Division of the date and time said wellbore surveys are to be conducted so that they may be witnessed. The applicant shall further provide a copy of said wellbore surveys to the Santa Fe and Hobbs offices of the Division upon completion.

(3) Form C-105 shall be filed in accordance with Division Rule 1105 and the operator shall indicate thereon true vertical depth in addition to measured depths.

(4) The SW/4 SW/4 of said Section 31 shall be dedicated to the well.

(5) Jurisdiction of this cause is retained for the entry of such further orders as the Division may deem necessary.

Unit L - Unit M