



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE

6-10-91

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

NSL 3021

RE: Proposed:

MC	_____
DHC	_____
NSL	<u>X</u> _____
NSP	_____
SWD	_____
WFX	_____
PMX	_____

Gentlemen:

I have examined the application for the:

Greenhill Ref Corp Longhorn Padlock Unit #124-L 2-17-87
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

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

Incorporated in Delaware, U.S.A.

June 6, 1991

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. 124
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 124 in the Lovington Paddock Unit, located in Lea County, New Mexico.

The Lovington Paddock 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. 124 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

Michael J. Newport
Landman

MJN:JB
Enclosures



GREENHILL PETROLEUM CORPORATION

Incorporated in Delaware, U.S.A.

Mike

12777 JONES ROAD, SUITE 375
HOUSTON, TEXAS 77070
TELEPHONE (713) 955-1146
FAX (713) 890-2405

CERTIFIED MAIL

May 21, 1991

Texaco USA
P.O. Box 3109
Midland, TX 79702

Attn: Keith Williams

Re: Lovington Paddock
Well No. 124
Lea County, NM

This letter is to hereby notify you that Greenhill Petroleum will be drilling Well No. 124 to a depth of 6420' to test the Paddock Formation, 120 FWL and 1450 FSL in Section 6, T17S-R37E, 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

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

Texaco USA

By: _____

Enclosures

PS Form 3800, June 1985

U.S.G.P.O. 153-506

Postmark or Date		5/21/91	
Return Receipt showing to whom and Date Delivered	Return Receipt showing to whom, Date, and Address of Delivery	101A1 Postage and Fees	
Registered Delivery Fee			
Special Delivery Fee			
Certified Fee			
Postage			
TEXACO USA		P.O. Box 3109	
Midland TX 79702			

See Reverse

FOR CERTIFIED MAIL
POSTAGE WILL BE PAID BY ADDRESSEE
NO POSTAGE
NECESSARY
IF MAILED IN THE U.S.

P-496 477 415



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.

CERTIFIED MAIL

May 21, 1991

Phillips Petroleum
P.O. Box 1967
Houston, TX 77281-1967

Re: Lovington Paddock
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Lea County, NM

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Sincerely,

Michael J. Newport
Land Manager-Permian Basin

MJN:jb

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

Phillips Petroleum

By: _____

Enclosures

PS Form 3800, June 1985

U.S.G.P.O. 152 506

Postmark or Date 5/21/91		Postage		Certified Fee		Special Delivery Fee		Restricted Delivery Fee		Return Receipt showing to whom and Date Delivered		Return Receipt showing to whom Date and Address of Delivery		TOTAL Postage and Fees	
														\$	

Phillips Petroleum
P.O. Box 1967
Houston TX 77281-1967

P-496 477 416
RECEIPT FOR CERTIFIED MAIL
NO INSURANCE COVERAGE PROVIDED
NOT FOR INTERNATIONAL MAIL
(See Reverse)

