

OIL CONSERVATION DIVISION

SANTA FE, NEW MEXICO 87501

I have examined the application for the:

and my recommendations are as follows:

P. O. BOX 2088

MC DHC NSL NSP SWD WFX PMX

Gentlemen:

Proposed:

RE:

STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION HOBBS DISTRICT OFFICE

BRUCE KING GOVERNOR

POST OFFICE BOX 1980 HOBBS, NEW MEXICO 8B241-1980 (505) 393-6161

MSL - 3/86.

Wington Paddack Unit 141-3 1-17-36.

No. J Unit S-T-R

Yours very truly,

Jerry Sexton

Supervisor, District 1



GREENHILL PETROLEUM CORPORATION

11490 WESTHEIMER ROAD, SUITE 200 HOUSTON, TEXAS 77077-6841 TELEPHONE (713) 589-8484 FAX. (713) 589-7892

incorporated in Delaware, U.S.A.

VIA FEDERAL EXPRESS

March 16, 1992

Oil Conservation Division State of New Mexico Energy, Minerals and Natural Resources Department P. O. Box 2088 Santa Fe, New Mexico 87504-2088

Attention:

Mr. Mike Stogner

Re:

Unorthodox Location and Drilling Permit

Proposed Well Number 141

Lovington Paddock

Lea County, New Mexico

Dear Mr. Stogner:

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 141 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 Number 141 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,

Michael J. Newport

Land Manager-Permian Basin

MJN:sjs Enclosures

