STATE OF NEW MEXICO



ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS
GOVERNOR

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

December 8, 1989

Greenhill Petroleum Corporation 16010 Barker's Point Lane Suite 325 Houston, TX 77079

Attention: Gene Linton, Production Coordinator

Administrative Order NSL-2733

Dear Mr. Linton:

Reference is made to your application of December 5, 1989 for a non-standard oil well location to permit the completion of an efficient production/injection pattern within an active secondary recovery project for your Lovington San Andres Unit Well No. 61 to be located 2545 feet from the North line and 100 feet from the West line (Unit E) of Section 6, Township 17 South, Range 37 East, NMPM, Lovington Grayburg San Andres Pool, Lovington Grayburg San Andres Unit Waterflood Project Area, Lea County, New Mexico. Said well to be dedicated to the existing 37.33-acre oil spacing and proration unit comprising Lot 5 of said Section 6.

By the authority granted me under the provisions of General Rule 104 F(I) the above-described unorthodox oil well location is hereby approved.

Sincerely,

William J. LeMay

Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs

NM Oil and Gas Engineering Committee - Hobbs