



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

GARREY CARRUTHERS
GOVERNOR

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SANTA FE, NEW MEXICO 87504
(505) 827-5800

November 13, 1990

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

Attention: Michael J. Newport

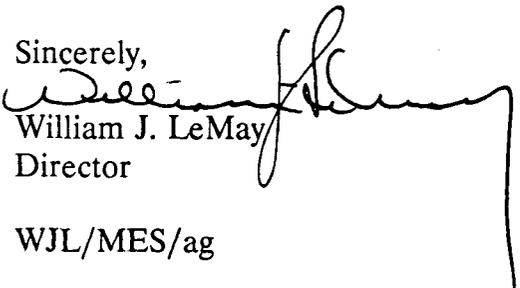
Administrative Order NSL-2939

Dear Mr. Newport:

Reference is made to your application dated September 5 and November 5, 1990 for a non-standard oil well location to permit the completion of an efficient production/injection pattern within an existing secondary recovery project for your Skaggs Grayburg Unit Well No. 23 to be located 25 feet from the North line and 150 feet from the West line (Unit D) of Section 18, Township 20 South, Range 38 East, NMPM, Skaggs Grayburg Pool, Skaggs Grayburg Unit Waterflood Project Area, Lea County, New Mexico. Said well to be dedicated to the existing 40.51-acre oil spacing and proration unit comprising Lot 1 (NW/4 NW/4 equivalent) of said Section 18, which is presently dedicated to the applicant's Skaggs Grayburg Unit Well No. 15 located 990 feet from the North and West lines of said Section 18.

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