STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

New Mexico DRUG FREE It's a State of Mind!

BRUCE KING
GOVERNOR

March 30, 1992

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

Greenhill Petroleum Corporation
11490 Westheimer Road
Suite 200
Houston, Texas 77077-6841

Attention: Michael J. Newport

Administrative Order NSL-3107

Dear Mr. Newport:

Reference is made to your application dated March 23, 1992 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 Paddock Unit Well No. 140 to be located 2522 feet from the North line and 2630 feet from the West line (Unit F) of Section 1, Township 17 South, Range 36 East, NMPM, Lovington Paddock Pool, Lovington Paddock Waterflood Project Area, Lea County, New Mexico. Said well to be dedicated to the existing standard 40-acre oil spacing and proration unit comprising the SE/4 NW/4 of said Section 1.

By authority granted me under the provisions of General Rule 104F.(1), the above described unorthodox oil well location is hereby approved.

Sincerely,

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe