



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 6, 1989

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

Attention: Gene Linton

*Administrative Order NSL-2726*

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. 60 to be located 1283 feet from the South line and 2527 feet from the West line (Unit N) of Section 31, Township 16 South, Range 37 East, NMPM, Lovington Grayburg San Andres Pool, Lovington San Andres Unit 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 SW/4 of said Section 31, which is currently dedicated to the Lovington San Andres Unit Well No. 22 located 330 feet from the South line and 1650 feet from the West line of said Section 31.

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,

A handwritten signature in black ink, appearing to read "William J. LeMay", with a long vertical line extending downwards from the end of the signature.

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
NM Oil and Gas Engineering Committee - Hobbs  
NM State Land Office - Santa Fe