



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

September 27, 1990

Greenhill Petroleum Corporation
12777 Jones Road
Suite 375
Houston, TX 77070

Attention: Michael J. Newport

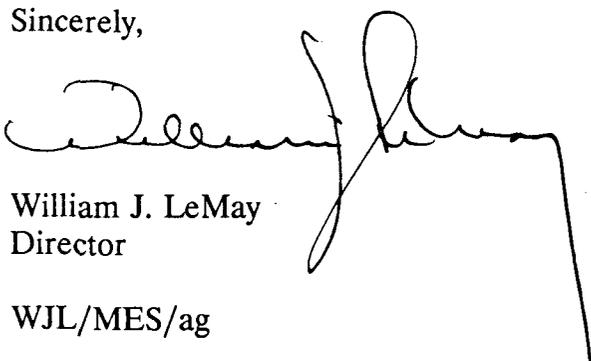
Administrative Order NSL-2878

Dear Mr. Newport:

Reference is made to your application dated September 5, 1990 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. 67 to be located 2444 feet from the South line and 281 feet from the West line (Unit L) 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. Lot 3 of said Section 31 shall be dedicated to the well forming a 49.56-acre oil spacing and proration unit.

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 State Land Office - Santa Fe