



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



BRUCE KING
GOVERNOR

March 17, 1992

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

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

Attention: Michael J. Newport

AMENDED
Administrative Order DD-58(NSBHL)

Dear Mr. Newport:

By Division Administrative Order DD-58(NSBHL), dated February 26, 1991, as corrected March 18, 1991, authorization was given for Greenhill Petroleum Corporation to directional drill its Lovington Paddock Unit Well No. 87 from a surface location 1138 feet from the North line and 1546 feet from the East line (Unit B) of Section 36, Township 16 South, Range 36 East, NMPM, Lea County, New Mexico, to a bottomhole location in the Lovington Paddock Pool, Lovington Paddock (Unit) Waterflood Project within 50 feet of a point 1520 feet from the North line and 1190 feet from the East line (Unit H) of said Section 36.

Reference is now made to your application dated June 12, 1991 to amend said Order DD-58 to reflect the actual bottomhole location for said well which is outside the above-described target area.

The Division Director Finds That:

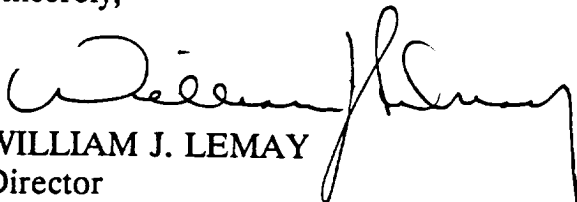
- (1) This application was originally approved under the provisions of General Rule 104.F. III, whereby the applicant requested the bottomhole location be unorthodox for the purpose of completing an efficient injection/production pattern within their Lovington Paddock Waterflood Project;
- (2) The dedicated acreage for said well is within the applicant's Lovington Paddock Unit Area and there are no offsetting operators;

IT IS THEREFORE ORDERED THAT:

Division Administrative Order DD-58(NSBHL) is hereby amended to properly show the actual bottomhole location for said Lovington Paddock Unit Well No. 87 within the Lovington Paddock Pool to be 1645 feet from the North line and 1162 feet from the East line (Unit H) of said Section 36.

All other provisions of said Order DD-58(NSBHL), dated February 26, 1991, as amended March 18, 1991, not in conflict with this change shall remain in full force and effect until further notice.

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. Lemay', is written over the printed name and title.

WILLIAM J. LEMAY
Director

WJL/MES/jc

cc: Oil Conservation Division - Hobbs
NMSLO - Santa Fe