



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

April 3, 1997

POST OFFICE BOX 1880  
HOBBS, NEW MEXICO 88241-1880  
(505) 383-8161

Greenhill Petroleum Corporation  
11490 Westheimer, Suite 200  
Houston, Texas 77077

Re: Lovington Paddock Unit #58-H, Sec. 1, T17S, R36E

Gentlemen:

According to our records, the above referenced well failed to demonstrate mechanical integrity when a pressure test was conducted on September 25, 1996.

We have received a pressure chart confirming repairs, but it is noted that the packer has been set at 5831 feet, and the previous setting depth was 5989 feet. It is noted that the injection interval is in the open hole from 6065 to 6248 feet.

Our geologist has confirmed that the top of the Glorieta formation is 5968 feet, leaving both the Glorieta and San Andres formations open below the packer.

We request that you consult with David Catanach on his requirement for a packer setting depth for this well.

Very truly yours

OIL CONSERVATION DIVISION

Jerry Sexton  
Supervisor, District I

JS:bp

cc: David Catanach  
File