



# NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

**BILL RICHARDSON**

Governor

**Joanna Prukop**

Cabinet Secretary

**Mark E. Fesmire, P.E.**

Director

**Oil Conservation Division**

October 22, 2004

Chuck Morgan  
SDX Resources, Inc.  
PO Box 5061  
Midland, TX 79704

RECEIVED

OCT 29 2004

OGD-ARTESIA

**Re: Application for SWD**  
**Santa Nina #1**  
Eddy County, New Mexico

30-015-04594

Dear Mr. Morgan:

It appears that there are offsetting producers within this proposed Queen injection interval.

Please send a short explanation of why this injection will not harm that production, or will actually help this production. If possible use engineering or analogy or some other reasoning.

In addition, state in your reply whether Jim Pierce or Yeso Energy has corresponded with you about this proposed injection well and what their thoughts are on the effect on their production.

Sincerely,

William V Jones Jr. PE

wvjones@state.nm.us

505-476-3448

cc: Oil Conservation Division - Artesia