



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON
Governor
Joanna Prukop
Cabinet Secretary

Mark E. Fesmire, P.E.
Director
Oil Conservation Division

SEP 04 2007
OCD-ARTESIA

August 23, 2007

Bonnie Atwater
SDX Resources, Inc.
PO Box 5061
Midland, TX 79704

Re: Extension of Administrative Order SWD-1041

Dear Ms. Atwater:

Administrative Permit Order SWD-1041 approved the AID 24P State Well No. 23 (API No. 30-015-31552) for injection of salt water into the San Andres and Yeso formations on August 15, 2006.

As per your request on behalf of SDX Resources, Inc., and for the reasons outlined, the deadline to commence injection is extended until August 15, 2008.

It is our understanding the ownership within the Area of Review for this well has not changed since the original permit application was received.

Provided: The operator shall not begin injection into this well until all pre-conditions contained in the original order are complied with.

The injection authority for this well shall expire on August 15, 2008, if the operator has not commenced injection operations.

Sincerely,

MARK E. FESMIRE, P.E.
Director

cc: Oil Conservation Division – Artesia
State Land Office – Oil, Gas, and Minerals Division
File: SWD-1041