



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON

Governor

Jennifer A. Salisbury

Cabinet Secretary

Lori Wrotenbery

Director

Oil Conservation Division

ADMINISTRATIVE ORDER DHC-2956

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704

Attention: Mr. Chuck Morgan

Tigner State No.1

API No. 30-015-31387

*Unit L, Section 28, Township 17 South, Range 28 East, NMPM,
Eddy County, New Mexico.*

Artesia Glorietta Yeso (Oil - 96830) and

Undesignated Artesia Queen Grayburg- San Andres (Oil - 03230) Pools

Dear Mr. Morgan:

Reference is made to your recent application for an exception to Rule 303.A. of the Division Rules and Regulations to permit the above described well to commingle production from the subject pools in the well bore.

It appearing that the subject well qualifies for approval for such exception pursuant to the provisions of Rule 303.C., and that reservoir damage or waste will not result from such downhole commingling, and correlative rights will not be violated thereby, you are hereby authorized to commingle the production as described above and any Division Order which authorized the dual completion and required separation of the zones is hereby placed in abeyance.

In accordance with the provisions of Rule 303.C.(1), each of the commingled pools shall be allowed to produce up to the top oil allowable and top casinghead gas allowable applicable for that pool.

Assignment of allowable to the well and allocation of production from the well shall be on the following basis:

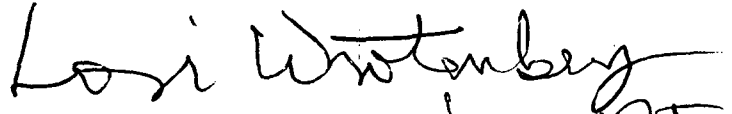
Artesia Glorietta -Yeso Pool	Oil - 42%	Gas- 25%
Undesignated Artesia Queen Grayburg -San Andres Pool	Oil - 58%	Gas- 75%

REMARKS: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Pursuant to Rule 303.C.(2), the commingling authority granted herein may be rescinded by the Division Director if conservation is not being best served by such commingling.

Approved at Santa Fe, New Mexico on this 11th day of September 2001.

STATE OF NEW MEXICO
OIL CONSERVATION DIVISION


LORI WROTENBERY
Director

S E A L

LW/RE

cc: Oil Conservation Division – Artesia
State Land Office Oil and Gas Division