COMMISSIONER'S OFFICE Phone (505) 827-5760 Fax (505) 827-5766

ADMINISTRATION Phone (505) 827-5700 Fax (505) 827-5853

GENERAL COUNSEL Phone (505) 827-5713 Fax (505) 827-4262

PUBLIC AFFAIRS Phone (505) 827-1245 Fax (505) 827-5766

October 10, 2001

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

Attn:

- Mr. Chuck Morgan
- Application for Downhole Commingling Re: Tigner State Well No. 1 Unit Letter L, Section 28-17S-28E Artesia Glorieta Yeso and Undesignated Artesia Queen-Grayburg-San Andres Pools Eddy County, New Mexico

Dear Mr. Morgan:

The New Mexico Oil Conservation Division has advised this office that SDX Resources, Inc. has applied to downhole commingle the production from the Tigner State Well No. 1. SDX Resources, Inc. proposes to commingle the production from the Artesia Glorieta Yeso and Undesignated Artesia Queen-Grayburg-San Andres Pools.

Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

RAY POWELL, M.S., D.V.M. COMMISSIONER OF PUBLIC LANDS

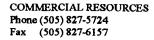
BY:

JAMI BAILEY, Director Oil/Gas and Minerals Division (505) 827-5744

RP/JB/cpm Enclosure xc: Reader File

OCD--Attention: David Catanach

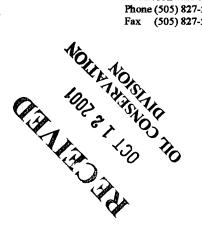
DHC-2956



MINERAL RESOURCES Phone (505) 827-5744 Fax (505) 827-4739

ROYALTY MANAGEMENT Phone (505) 827-5772 Fax (505) 827-4739

SURFACE RESOURCES Phone (505) 827-5793 Fax (505) 827-5711



"WE WORK FOR EDUCATION" 310 Old Santa Fe Trail, P. O. Box 1148 Santa Fe, New Mexico 87504-1148



New Mexico State Land Office

Commissioner of Public Lands

Ray Powell, M.S., D.V.M.