



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Administrative Order PC-1087

Corrected Pool Name

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

Attention: Mr. Chuck Morgan

The above-named company is hereby authorized to commingle identically owned Red Lake-San Andres (97253) and Artesia-Glorieta Yeso (96830) Pool production within the following lease and from the following wells and to determine production from each pool by well tests.

Welch "RL" State Lease (State Lease No. B-1111)
NW/4 and NW/4 NE/4 of Section 28, Township 17 South, Range 28 East, NMPM, Eddy County, New Mexico

Welch "RL" State No. 1 (API No. 30-015-31917) Unit E
Red Lake-San Andres Pool

Welch "RL" State No. 2 (API No. 30-015-31916) Unit F
Artesia-Glorieta Yeso Pool

Welch "RL" State No. 6 (API No. 30-015-32456) Unit C
Red Lake-San Andres Pool and
Artesia-Glorieta Yeso Pool (DHC-3828)

The commingled production shall be stored at the Welch "RL" Tank Battery, located within the SW/4 NW/4 of Section 28.

It is the responsibility of the producer to notify the transporter of this commingling authority. The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

DONE at Santa Fe, New Mexico, on this 29th day of January 2003. **Corrected January 17, 2007.**

MARK E. FESMIRE, P.E.,
Division Director

MEF/wvjj

cc: Oil Conservation Division- Artesia
State Land Office-Oil & Gas Division