

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

BRUCE KING
GOVERNORANITA LOCKWOOD
CABINET SECRETARYPOST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

October 28, 1993

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

Attention: Chuck Morgan

*5th Addendum to
Administrative Order NSL-3219*

Dear Mr. Morgan:

Reference is made to your applications filed with the Division on October 27, 1993 for two additional unorthodox oil well locations for the purpose of completing an efficient injection/production pattern within the East Millman Queen-Grayburg Waterflood Project Area, comprising all or portions of Sections 11, 14, 15, 22 and 23, Township 19 South, Range 28 East, NMPM, East Millman Queen-Grayburg Pool, Eddy County, New Mexico.

The original Division Administrative Order NSL-3219, dated February 3, 1993, approved fourteen new unorthodox oil well locations within the East Millman Queen-Grayburg Waterflood Project Area, as well as clarified and officially described the horizontal limits of said project area.

At this time, the applicant has made a proper filing pursuant to Division General Rule 104.F. (3) and (4); therefore, by the authority granted me under the provisions of General Rule 104.F.(1), the following described two unorthodox oil well locations, both to be drilled in Township 19 South, Range 28 East, NMPM, East Millman Queen-Grayburg Waterflood Project, East Millman Queen-Grayburg Pool, Eddy County, New Mexico, are hereby approved:

Well Name and No.	Footage Location	Unit	Section	Dedicated 40-acre Tract
East Millman No. 222	2310' FNL - 10' FEL	H	10	SE/4 NE/4
East Millman No. 223	330' FSL - 1330' FEL	O	14	SW/4 SE/4

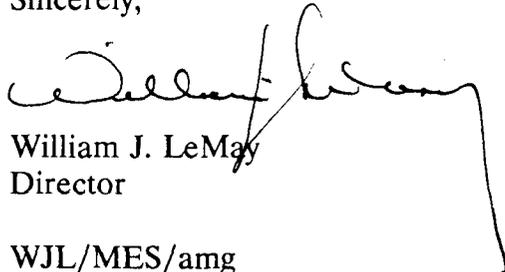
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Sincerely,

A handwritten signature in cursive script, appearing to read "William J. LeMay". The signature is written in black ink and is positioned above the typed name and title.

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Artesia
State Land Office - Santa Fe
File: PMX-5
WFX-388
Case No. 2656 (Artesia)