



**PATRICK H. LYONS**  
**COMMISSIONER**

*State of New Mexico*  
*Commissioner of Public Lands*

310 OLD SANTA FE TRAIL  
P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

**COMMISSIONER'S OFFICE**  
Phone (505) 827-5760  
Fax (505) 827-5766  
www.nmstatelands.org

February 24, 2003

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

Attn: Mr. Chuck Morgan

Re: Surface Commingling Application  
Sec. 28-17S-28E  
Welch RL State Well No. 1 (E) Red Lake-SA Pool  
Welch RL State Well No. 2 (F) Artesia Glorieta-Yeso Pool  
Welch RL State Well No. 6 (C) Red Lake SA Pool  
Eddy County, New Mexico

**RECEIVED**

FEB 27 2003

**OIL CONSERVATION  
DIVISION**

Dear Mr. Morgan:

We are in receipt of your letter of January 17, 2003, requesting permission to commingle the above captioned production from the Artesia Glorieta Yeso pool with production from the Red Lake SA pool at the Welch RL Battery and determine production from each pool by well tests.

It is our understanding that the Welch RL Tank Battery is located in the SW/4NW/4 of Section 28-17S-28E.

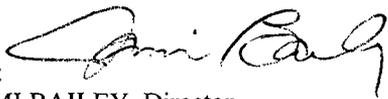
Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

Your \$30.00 dollar filing has been received.

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

Very truly yours,

**PATRICK H. LYONS**  
**COMMISSIONER OF PUBLIC LANDS**

BY:   
JAMI BAILEY, Director  
Oil, Gas and Minerals Division  
(505) 827-5744  
PL/JB/pm  
pc: Reader File,  
OCD-Attention: David Catanach