



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

ANITA LOCKWOOD
CABINET SECRETARY

June 8, 1993

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

Attention: Chuck Morgan

*2nd Addendum to
Administrative Order NSL-3219*

Dear Mr. Morgan:

Reference is made to your applications filed with the Division on May 27, 1993 for five 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 five unorthodox oil well locations, all 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. 207 | 1400' FSL - 1180' FEL | I | 14 | NE/4 SE/4 |
| East Millman No. 208 | 1360' FNL - 1310' FEL | H | 22 | SE/4 NE/4 |