



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

November 17, 1997

Mr. Chuck Morgan
SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704-5061

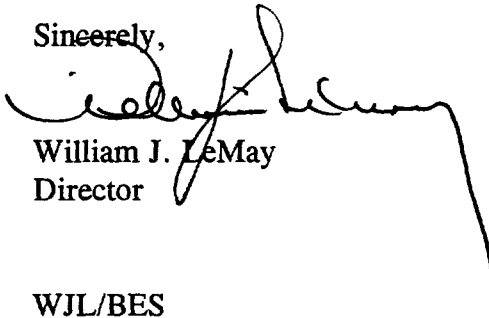
RE: Reinstatement of Division Order SWD-572.

Dear Mr. Morgan,

Reference is made to your recent request to reinstate Division Order SWD-572. My staff has considered your request and, pursuant to Rule 705.C., is hereby granted.

Division Order SWD-572 shall again be in effect for a period of one year. The permit will expire on April 15, 1998. If injection has not been implemented by this date, the authority for injection shall terminate ipso facto. If this occurs, you may be required to submit additional data and other justification to have Division Order SWD-572 reinstated.

Sincerely,


William J. LeMay
Director

WJL/BES

cc: Oil Conservation Division - Hobbs
File: SWD-572

SDX RESOURCES, INC.

P.O. BOX 5061
MIDLAND, TEXAS 79704
(915) 685-1761

October 14, 1997

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

Attention: Mr. Ben Stone

RE: Watts Federal
910' FNL & 800' FE
Unit A, Sec. 31, T23S, R28E
Eddy Co., NM
Federal Lse No. 22073

Gentlemen:

SDX Resources, Inc. applied to dispose of salt water into the above captioned well in August, 1994. Our application was approved by Administrative Order SWD-572 on September 26, 1994.

Due to budget restrictions, the project was put on hold and the Watts Federal #1 was never converted to a disposal well. SDX is currently in the process of re-implementing the project. Attached is a copy of the original SWD order and a lease map with the 1/2 mile of review circled. No activity has occurred and there has been no changes of any kind within the 1/2 mile of review. Therefore, SDX respectfully requests that the SWD order be reinstated.

If you have any questions or need additional information, please contact myself or John Pool at Area code 915-685-1761.

Thank you for your consideration on this matter.

Sincerely,



Chuck Morgan, Engineer

CM/jdc

Attachments

OCT 16 1997

ENTERED TO
VERBAC TO
APRIL 15 '98
END 10-20-97

