



State of New Mexico  
Commissioner of Public Lands

RAY POWELL, M.S., D.V.M.  
COMMISSIONER

310 OLD SANTA FE TRAIL. P.O. BOX 1148

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January 4, 1994

SANTA FE, NEW MEXICO 87504-1148

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

Attention: Mr. Chuck Morgan

Re: Commingling Request  
BN State Well Nos. 1, 3, 4, 5 and 6 East Millman Qn.,  
Gb., Sa. Pool  
BN State Well No. 7, East Millman 7-Rivers Pool  
Section 11-19S-28E  
Eddy County, New Mexico

Dear Mr. Morgan:

This office is in receipt of your application dated December 20, 1993, wherein you have requested our approval to commingle the production from the above-captioned wells in Section 11, Township 19 South, Range 28 East, Eddy County, New Mexico.

It is our understanding that the commingled production from the above-mentioned wells will be stored in a tank battery located on Lease No. E-1051-4.

Since it appears that there will be no loss of revenue to the State of New Mexico's beneficiaries from your proposed operation, the Commissioner of Public Lands, this date approves your request. Our approval is given with the understanding that the Commissioner of Public Lands reserves the right to amend or withdraw his approval should this operation prove to be unprofitable to the State at any time in the future. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

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

Very truly yours,

RAY B. POWELL, M.S., D.V.M.  
COMMISSIONER OF PUBLIC LANDS

BY: *Floyd O. Prando*  
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
RBP/FOP/pm

cc: Reader File  
OCD - Dave Catanach, Ben Stone  
E-1051-4