

March 31, 1999

SDX Resources, Inc. P. O. Box 5061 Midland, Texas 79704 Attention: Chuck Morgan

Administrative Order NSL-833-A (SD)

Dear Mr. Morgan:

Reference is made to your application dated March 5, 1999 for an unorthodox Jalmat gas well location in an existing non-standard 160-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the NE/4 of Section 8, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU was established by Division Administrative Order NSP-1046, as amended, and had dedicated thereon the Langlie Jal Federal Well No. 1 (API No. 30-025-25498), located at an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 8 (approved by Division Administrative Order NSL-833, dated March 24, 1977).

By authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well to be drilled at an unorthodox Jalmat gas well location in Section 5 is hereby approved:

Langlie Jal Federal Well No. 2 1930' FNL & 1880' FEL (Unit G).

Also, you are hereby authorized to simultaneously dedicate Jalmat gas production from the proposed Langlie Jal Federal Well No. 2 with the existing Langlie Jal Federal Well No. 1. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion

Sincerely,

Lori Wrotenbery Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs U. S. Bureau of Land Management – Carlsbad File: NSL-833 NSF-1046

NSL-JALM.Z

Ru: 3-11-99 Sugp: 3-31-99 Released: 3-31-99

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By authority granted me under the provisions of Rule 2(d) of the "Special Rules and Regulations for the Jalmat Gas Pool", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well to be drilled at an unorthodox Jalmat gas well location in Section 5 is hereby approved:

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Lori Wrotenbery Director

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File:	NSL-833
	NSP-1046

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