



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION



BRUCE KING  
GOVERNOR

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CABINET SECRETARY

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

June 2, 1994

SDX Resources, Inc.  
511 West Ohio - Suite 601  
Midland, TX 79701

Attention: Victor J. Sirgo

*Administrative Order NSL-3395*

Dear Mr. Sirgo:

Reference is made to your application dated May 11, 1994 for a non-standard oil well location for the purpose of completing an efficient production/injection pattern within the Jalmat Field-Yates Sand Unit Waterflood Project Area, established by Division Order No. R-2243, dated May 28, 1962.

It is our understanding that the proposed Jalmat Field-Yates Sand Unit Well No. 158 is to be drilled 1310 feet from the South line and 2310 feet from the East line (Unit O) of Section 11, Township 22 South, Range 35 East, NMPM, Jalmat Oil Pool, Jalmat Field-Yates Sand Unit Area, Lea County, New Mexico.

The SW/4 SE/4 of said Section 11 shall be dedicated to said well forming a standard 40-acre oil spacing and proration unit.

By the authority granted me under the provisions of General Rule 104 F(1), the above-described unorthodox oil well location is hereby approved.

Sincerely,

A handwritten signature in black ink, appearing to read "William J. LeMay". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay  
Director

WJL/MES/ag

cc: Oil Conservation Division - Hobbs  
New Mexico State Land Office - Santa Fe