



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 S. PACHECO
SANTA FE, NEW MEXICO 87505
(505) 827-7131

July 31, 1995

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

Attention: John Pool

Administrative Order NSL-3553

Dear Mr. Pool:

Reference is made to your application dated July 20, 1995, for four unorthodox oil well locations for the purpose of completing an efficient injection/production pattern within the Cone Jalmat Yates Pool Unit Waterflood Project Area, established by Division Order No. R-2495, dated June 11, 1963.

These four wells are to be located in Township 22 South, Range 35 East, NMPM, Jalmat Oil Pool, Cone Jalmat Yates Pool Unit Area, Lea County, New Mexico.

<i>Well No.</i>	<i>Footage Location</i>	<i>Section</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
36	1340' FNL - 1310' FEL	24	H	SE/4 NE/4
38	2575' FSL - 1310' FEL	24	I	NE/4 SE/4
39	1310' FNL - 2630' FEL	24	B	NW/4 NE/4
41	1346' FNL - 2515' FEL	25	G	SW/4 NE/4

Administrative Order NSL-3553

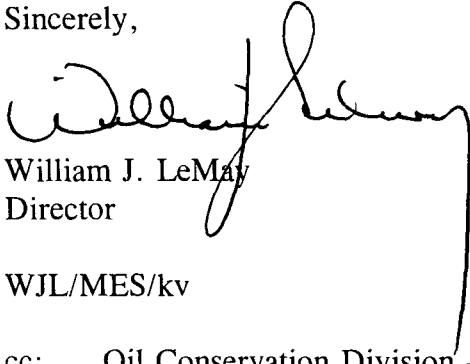
SDX Resources, Inc.

July 31, 1995

Page 2

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

Sincerely,

A handwritten signature in black ink, appearing to read 'William J. LeMay', is written over the typed name and title. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

William J. LeMay
Director

WJL/MES/kv

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