

**BEFORE THE  
OIL CONSERVATION DIVISION  
NEW MEXICO ENERGY, MINERALS AND  
NATURAL RESOURCES DEPARTMENT**

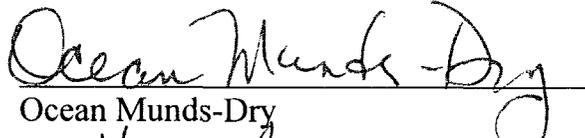
**IN THE MATTER OF THE APPLICATION OF  
SDX RESOURCES, INC., FOR APPROVAL OF  
A WATERFLOOD PROJECT, EDDY  
COUNTY, NEW MEXICO.**

**CASE NO. 13923**

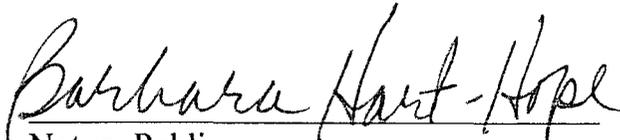
**AFFIDAVIT**

STATE OF NEW MEXICO        )  
  ) ss.  
COUNTY OF SANTA FE        )

Ocean Munds-Dry, attorney in fact and authorized representative of SDX Resources, Inc., the Applicant herein, states that notice of the above-referenced Application was mailed to the interested parties shown on Exhibit "A" attached hereto in accordance with Oil Conservation Division Rules, and that true and correct copies of the notice letter and proof of notice are attached hereto.

  
\_\_\_\_\_  
Ocean Munds-Dry

SUBSCRIBED AND SWORN to before me this 30<sup>th</sup> day of April 2007 by Ocean Munds-Dry.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 3/28/08

Attn: Rebecca

# Affidavit of Publication

NO. 19752

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

### Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of

the 1937 Session Laws of the state of New Mexico for

1 Consecutive week/days on the same

day as follows:

First Publication May 18 2007

Second Publication

Third Publication

Fourth Publication

Fifth Publication

Subscribed and sworn to before me this

17th Day May 2007

*Manoel K. Lamas*

Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

# Copy of Publication:

## LEGAL NOTICE

MEXICO OIL CONSERVATION DIVISION  
Mark E. Feamire, P.E., Director  
Published in the Artesia Daily Press, Artesia, N.M. May 18, 2007.  
Legal 19751

## NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on June 18, 2007, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the hearing, please contact: Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by May 28, 2007. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

STATE OF NEW MEXICO TO: All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal

Meridian whether or not so stated.)  
CASE 13928 Application of SDX Resources, Inc. for Approval of a Waterflood Project, Eddy County, New Mexico. Applicant in the above-styled cause, seeks approval for injection of up to 500 barrels of produced water per day with a maximum pressure of 500 psi into the Queen, Grayburg, San Andres formation, at an approximate depth of 2523 feet to 2859 feet, Artesia Queen-Grayburg-San Andres Pool through the NW State Well No. 8 located 1090 feet from the South line and 2126 feet from the West line of Section 32, Township 17 South, Range 28 East, NMPM. The proposed project area is located in the following described area: Section 29, 31 and 32 in Township 17 South, Range 28 East and Section 6 in Township 18 South, Range 28 East, NMPM, Eddy County, New Mexico. Applicant may be contacted at 511 W. Ohio, Ste 601, Midland, Texas 79701, attn: Chuck Morgan, (432) 685-1761. The applicant requests that the Division

establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Said unit is located approximately 12 miles east of Artesia, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 17th day of May 2007.

STATE OF NEW MEXICO OIL CONSERVATION DIVISION  
Mark E. Feamire, P.E., Director

Published in the Artesia Daily Press, Artesia, N.M. May 18, 2007.

Legal 19752

# Affidavit of Publication

NO. 19715

STATE OF NEW MEXICO

County of Eddy:

Gary D. Scott being duly

sworn, says: That he is the Publisher of The

Artesia Daily Press, a daily newspaper of general circulation, published in English at Artesia, said county and county and state, and that the here to attached

### Legal Notice

was published in a regular and entire issue of the said Artesia Daily Press, a daily newspaper duly qualified for that purpose within the meaning of Chapter 167 of the 1937 Session Laws of the state of New Mexico for 1 Consecutive week/days on the same

day as follows:

First Publication April 29 2007

Second Publication \_\_\_\_\_

Third Publication \_\_\_\_\_

Fourth Publication \_\_\_\_\_

Fifth Publication \_\_\_\_\_

Subscribed and sworn to before me this

3rd Day May 2007

Amanda K Lamb  
Notary Public, Eddy County, New Mexico

My Commission expires April 5, 2011

# Copy of Publication:

## NOTICE OF PUBLICATION STATE OF NEW MEXICO ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT OIL CONSERVATION DIVISION SANTA FE, NEW MEXICO

The State of New Mexico through its Oil Conservation Division hereby gives notice pursuant to law and the Rules and Regulations of the Division of the following public hearing to be held at 8:15 A.M. on May 24, 2007, in the Oil Conservation Division Hearing Room at 1220 South St. Francis, Santa Fe, New Mexico, before an examiner duly appointed for the hearing. If you are an individual with a disability who is in need of a reader, amplifier, qualified sign language interpreter or any other form of auxiliary aid or service to attend or participate in the hearing, please contact Florene Davidson at 505-476-3458 or through the New Mexico Relay Network, 1-800-659-1779 by May 14, 2007. Public documents including the agenda and minutes, can be provided in various accessible forms. Please contact Florene Davidson if a summary or other type of accessible form is needed.

### STATE OF NEW MEXICO TO:

All named parties and persons having any right, title, interest or claim in the following cases and notice to the public.

(NOTE: All land descriptions herein refer to the New Mexico Principal Meridian whether or not so stated.)

### CASE 13923:

Application of SDX Resources, Inc. for Approval of a Waterflood Project, Eddy County, New Mexico. Applicant in the above-styled cause seeks approval of

for injection of water into the Queen Grayburg San Andres formation, Artesia, a Queen-Grayburg-San Andres Pool through one injection well located in the following described area:

TOWNSHIP 17 SOUTH, RANGE 28 EAST

NMPM

Section 32: NE/4 SW/4

Section 29: SE/4

Section 31: E/2 E/2

TOWNSHIP 18 SOUTH, RANGE 28 EAST

NMPM

Section 6: NE/4 NE/4

The applicant requests that the Division establish procedures for the administrative approval of additional injection wells within the project area without the necessity of further hearings and the adoption of such other provisions as are necessary for said waterflood operations. Said unit is located approximately 12 miles east of Artesia, New Mexico.

Given under the Seal of the State of New Mexico Oil Conservation Commission at Santa Fe, New Mexico on this 27th day of April 2007.

### STATE OF NEW MEXICO OIL CONSERVATION DIVISION

Mark E. Fesmire, P.E.,  
Director

Published in the Artesia Daily Press, Artesia, N.M. April 29, 2007.

Legal 19715

**EXHIBIT B**

**SDX RESOURCES, INC.**  
**WATERFLOOD PROJECT**  
**EDDY COUNTY, NEW MEXICO**

**SURFACE OWNERS**

Marbob Energy Corporation  
P.O. Box 227  
Artesia, New Mexico 88211

**OFFSET OPERATORS**

BP Amoco (Altura/Arco Permian)  
200 N. Loraine Suite 1220  
Midland, Texas 79701

Marbob Energy Corporation  
P.O. Box 227  
Artesia, New Mexico 88211

Hanson Energy  
P.O. Box 1348  
Artesia, New Mexico 88210

Mewbourne oil Co.  
P.O. Box 5270  
Hobbs, New Mexico 88241



April 24, 2007

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

**AFFECTED INTEREST OWNERS**

Re: Application of SDX Resources Inc. for Approval of a Waterflood Project, Eddy County, New Mexico.

Ladies and Gentlemen:

This letter is to advise you that SDX Resources, Inc. has filed the enclosed application with the New Mexico Oil Conservation Division seeking authority to implement secondary recovery operations in its proposed project waterflood area. A copy of this application with attached Oil Conservation Division Form C-108 is enclosed for your information.

This application has been set for hearing before a Division Examiner at 8:15 a.m. on May 24, 2007. The hearing will be held in Porter Hall in the Oil Conservation Division's Santa Fe Offices located at 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505. You are not required to attend this hearing, but as an owner of an interest that may be affected by this application, you may appear and present testimony. Failure to appear at that time and become a party of record will preclude you from challenging the matter at a later date.

Parties appearing in cases are required by Division Rule 1208.B to file a Pre-hearing Statement four days in advance of a scheduled hearing. This statement must be filed at the Division's Santa Fe office at the above specified address and should include: the names of the parties and their attorneys; a concise statement of the case; the names of all witnesses the party will call to testify at the hearing; the approximate time the party will need to present its case; and identification of any procedural matters that are to be resolved prior to the hearing.

Very truly yours,

*Ocean Munds-Dry*  
Ocean Munds-Dry  
ATTORNEY FOR SDX RESOURCES, INC.

Enclosures

**U.S. Postal Service**  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only - No Insurance Coverage Provided)  
 For delivery information, visit our website at [www.usps.com](http://www.usps.com)

**OFFICIAL USE**

Postage \$ 1.85  
 Return Receipt Fee (Certified Fee) .340  
 Restricted Delivery Fee (Endorsement Required) 1.85  
 Total Postage & Fees \$

Sent To: Mewbourne Oil Co.  
 Street, Apt. No. or PO Box No. P. O. Box 5270  
 City, State, ZIP+4 Hobbs, NM 88241

Postmark: SAN ANTONIO, TX APR 25 87501  
 USPS

2006 2760 0001 6391 459B

**SENDER: COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Mewbourne Oil Co.  
 P. O. Box 5270  
 Hobbs, NM 88241

2. Article Number  
 (Transfer from service label)  
 7006 2760 0001 6391 459B

PS Form 3811, February 2004 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature  
 X Misty Williams  
 Agent  Addressee

B. Received by (Printed Name) C. Date of Delivery  
 Misty Williams 04/30/07

D. Is delivery different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1540

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only, No Insurance Coverage Provided)*  
 For delivery information, visit our website at www.usps.com

**OFFICIAL USE**

Postage	\$ 1.85
Return Receipt Fee (Endorsement Required)	2.40
Restricted Delivery Fee (Endorsement Required)	1.85
Total Postage & Fees	\$ 6.10

Sent To: Marbob Energy Corporation  
 Street, Apt. No., or PO Box No.: P. O. Box 227  
 City, State, ZIP+4: Artesia, NM 88211

APR 25 2007  
 SANTA FE, NM 87501  
 USPS

2954 769 7000 0922 9002

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
*(Domestic Mail Only, No Insurance Coverage Provided)*  
 For delivery information, visit our website at www.usps.com

**OFFICIAL USE**

Postage	\$ 1.85
Return Receipt Fee (Endorsement Required)	2.40
Restricted Delivery Fee (Endorsement Required)	1.85
Total Postage & Fees	\$ 6.10

Sent To: Marbob Energy Corporation  
 Street, Apt. No., or PO Box No.: P. O. Box 227  
 City, State, ZIP+4: Artesia, NM 88211

APR 25 2007  
 SANTA FE, NM 87501  
 USPS

0954 769 7000 0922 9002

**SENDER, COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
 Print your name and address on the reverse so that we can return the card to you.  
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Marbob Energy Corporation  
 P. O. Box 227  
 Artesia, NM 88211

2. Article Number: 7006 2760 0001 6391 4567  
 (Transfer from service label)  
 PS Form 3811, February 2004 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: [Signature]  
 B. Received by (Printed Name): [Name]  
 C. Date of Delivery: [Date]

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type:  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1540

**SENDER, COMPLETE THIS SECTION**

Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.  
 Print your name and address on the reverse so that we can return the card to you.  
 Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:  
 Marbob Energy Corporation  
 P. O. Box 227  
 Artesia, NM 88211

2. Article Number: 7006 2760 0001 6391 4550  
 (Transfer from service label)  
 PS Form 3811, February 2004 Domestic Return Receipt

**COMPLETE THIS SECTION ON DELIVERY**

A. Signature: [Signature]  
 B. Received by (Printed Name): [Name]  
 C. Date of Delivery: [Date]

D. Is delivery address different from item 1?  Yes  No  
 If YES, enter delivery address below:

3. Service Type:  
 Certified Mail  Express Mail  
 Registered  Return Receipt for Merchandise  
 Insured Mail  C.O.D.

4. Restricted Delivery? (Extra Fee)  Yes

102595-02-M-1540

*Returned Mail*

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only, No Insurance Coverage Provided)

**OFFICIAL USE**

OMD Postage	\$ 1.85
SDX Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.10



Sent To  
 Street, Apt. No.: 200 N. Loraine, Suite 1220  
 or PO Box No. Midland, Texas 79701  
 City, State, ZIP+4

7006 2760 0001 6391 4574

U.S. Postal Service  
**CERTIFIED MAIL RECEIPT**  
 (Domestic Mail Only, No Insurance Coverage Provided)

**OFFICIAL USE**

OMD Postage	\$ 1.85
SDX Certified Fee	2.40
Return Receipt Fee (Endorsement Required)	1.85
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees	\$ 6.10



Sent To  
 Street, Apt. No.: P. O. Box 1348  
 or PO Box No. Artesia, NM 88210  
 City, State, ZIP+4

7006 2760 0001 6391 4581

**SENDER COMPLETE THIS SECTION**

- Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Hanson Energy  
 P. O. Box 1348  
 Artesia, NM 88210

**COMPLETE THIS SECTION ON DELIVERY**

- A. Signature  Agent
- B. Received by (Printed Name)  Addressee  
 KATHIE HANSON
- C. Date of Delivery
- D. Is delivery address different from item 1?  Yes  
 If YES, enter delivery address below:  No



- 3. Service Type  Certified Mail  Express Mail  Registered  Return Receipt for Merchandise  Insured Mail  C.O.D.
- 4. Restricted Delivery? (Extra Fee)  Yes

2. Article Number: 7006 2760 0001 6391 4581  
 (Transfer from serv)

PS Form 3811, February 2004 Domestic Return Receipt