

United States Department of the Interior

1-12.9

BUREAU OF LAND MANAGEMENT

Roswell Field Office 2909 West Second Street Roswell, New Mexico 88202

IN REPLY REFER TO 3162.4 NM-97122

JAN 1 2 1999

SDX Resources, Inc. Attn: Janice Courtney P. O. Box 5061 Midland, TX 79704

Dear Ms. Courtney:

Your Application for Permit to Drill (APD), approved August 19, 1997, for the Chalk Bluff Draw Fed Well #1, located 2055'/S & 1980'/W, Section 5, T. 18 S., R. 27 E., Eddy County, New Mexico, Lease No. NM-97122 has expired because drilling has not commenced within one year of the approval date as stated in the General Requirements for Oil and Gas Operations on Federal Leases.

If drilling operations have commenced on the referenced well, please contact this office at (505) 627-0272 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) so we may correct our records.

If the well has not been spudded, but site construction activities have occurred, please contact this office at the above telephone number for surface reclamation instructions.

If you wish to drill this well at a later date, please submit a complete application (I original and 5 copies). Since the original APD has expired, the resubmitted APD will be subject to all the processing requirements including the 30-day posting requirement. Please note on the resubmitted APD that it was creviously approved and we will review the expired file for information which will help expedite the processing.

Sincerely,

(ORIG. SGD.) ARMANDO A. LOPEZ

Armando A. Lopez Acting Assistant Field Office Manager, Lands and Minerals

cc: BLM-I&E (CFO)
NMOCD (Artesia)
CFO (L. Denniston)

MUST RESUBUIT APD (6 COPIES)

NEW MEXICO _ ERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

October 26, 1998

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

Attn: Ms. Bonnie Atwater

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Re. Request for Extension of Implementation Period for Division Order SWD-677.

Dear Ms. Atwater:

My staff has reviewed your request to extend the implementation period on the above referenced Division Order. Providing that all conditions contained in the order remain the same and there are no wells drilled in the area of review, the expiration date of the SWD-677 is hereby extended to September 30, 1999.

In the event any drilling activity occurs in the subject area of review, SDX Resources, Inc. will notify the supervisor of the Artesia District office and the Division office. An administrative review of the permit will be conducted, and the status of the permit will be determined.

All other provisions and conditions of SWD-677 and Division Rules 706 and 1120 shall remain in full force and effect.

Sincerely,

Lori Wrotenbery

Director

LS/BES/kv

cc: Oil Conservation Division - Artesia

SWD-677