

SDX RESOURCES, INC.

P.O. BOX 5061
MIDLAND, TEXAS 79704
(915) 685-1761

October 20, 1995

Mr. Shannon Shaw
BLM
P. O. Box 1778
Carlsbad, NM 88221

RE: Dunn B Federal #39 API#30-015-28245
1319 FNL & 60' FEL
Unit A, Sec. 10, T18S, R28E
Eddy Co., NM
Administrative Order NSL-3465

Gentlemen:

SDX Resources, Inc. is making application under Rule 111.D and E of the General Rules and Regulations of the New Mexico Oil Conservation Commission for a horizontal completion, if necessary, for the captioned well. Enclosed is an original and five copies of the Sundry Notice noting change of plans from the original APD, which was approved December 7, 1994. Attached to the Sundry Notice is our Completion Procedure for the horizontal drainhole, if necessary. There are no changes in the 13 Point Drilling Program except for the setting of the 5-1/2" production casing, which is outlined in the Sundry Notice, or the Surface Use Plan that was also approved on December 7, 1994.

SDX Resources, Inc. proposes to drill a horizontal drainhole in the San Andres formation in an attempt to contact more permeability in the vertical fracture systems.

Thank you for your consideration and early approval for this horizontal completion. If you had any questions or need additional information, please call.

Best regards,



John Pool
Vice President

JP/jdc

Enclosures

cc: Mr. Mike Stogner, OCD/Santa Fe, NM
Mr. Tim Gum, OCD/Artesia ✓