

SDX RESOURCES, INC.

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

October 20, 1995

Mr. Mike Stogner  
Oil Conservation Commission  
2040 South Pacheco  
Santa Fe, NM 88505

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

Dear Mr. Stogner:

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 a copy 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.

Offset operators have been notified of SDX Resources, Inc.'s intent to do a horizontal completion. Address list attached.

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. Shannon Shaw, BLM/Carlsbad, NM  
Mr. Tim Gum, OCD/Artesia ✓