

SDX RESOURCES, INC.

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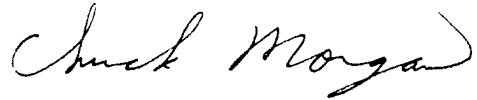
9-1-93

N.M.O.C.D.  
P.O. Box 2088  
Santa Fe, N.M. 87504-2088  
Attn. Mr. Stogner

Mr. Stogner,

This letter is intended to serve as an application for administrative approval of two additional unorthodox drilling locations on our East Millman lease. The locations requested will be the East Millman #222 & #223. Survey plats and O.C.D. forms C-101 accompany this letter. A lease map detailing the project is also enclosed. As discussed in our original applications, the purpose of these locations is to convert the existing waterflood project on our East Millman lease from an 80 acre 5 spot pattern to a 40 acre 5 spot pattern. This reduced spacing will result in the recovery of additional reserves that will otherwise be lost. No offset operators are affected by any of these proposed unorthodox locations. Thanks for your prompt attention.

Sincerely,



Chuck Morgan, P.E.