



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

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

November 17, 1997

Mr. Chuck Morgan
SDX Resources, Inc.
P.O. Box 5061
Midland, Texas 79704-5061

Watts Fed #1
31-23-3828

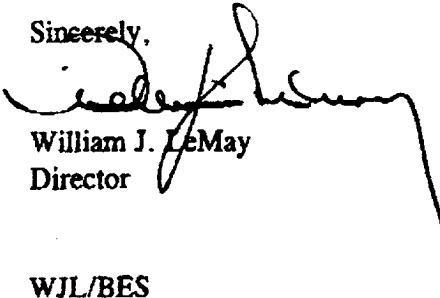
RE: Reinstatement of Division Order SWD-572.

Dear Mr. Morgan,

Reference is made to your recent request to reinstate Division Order SWD-572. My staff has considered your request and, pursuant to Rule 705.C., is hereby granted.

Division Order SWD-572 shall again be in effect for a period of one year. The permit will expire on April 15, 1998. If injection has not been implemented by this date, the authority for injection shall terminate ipso facto. If this occurs, you may be required to submit additional data and other justification to have Division Order SWD-572 reinstated.

Sincerely,


William J. LeMay
Director

WJL/BES

cc: Oil Conservation Division - Hobbs /
File: SWD-572