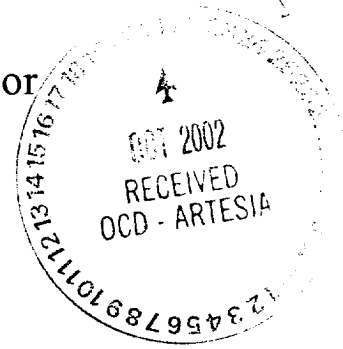




United States Department of the Interior  
BUREAU OF LAND MANAGEMENT  
Carlsbad Field Office  
620 E. Greene St.  
Carlsbad, New Mexico 88220  
Tel. (505) 234-5972  
Fax (505) 885-9264



IN REPLY REFER TO:  
3162.4 (080)  
NM-048344

OCT 18 2002

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

Gentlemen:

Your Application for Permit to Drill (APD), for the following well 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. We are also returning your Sundry Notice dated October 10, 2002, requesting an extension for this well because it was received by this office on October 15, 2002 after the expiration date had already passed.

NM-048344 Williams A Federal #1 590'S & 2185'/W Sec. 29, T.17S, R.28E  
APD approved 10/04/01

If drilling operations have commenced on the referenced well, please contact this office at (505) 234-5972 and send all necessary reports (spud, casing/cementing, etc., 1 original and 5 copies) to the Roswell Field Office, 2909 West Second Street, Roswell, New Mexico 88202, 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 (1 original and 5 copies) to the Roswell Field Office. 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 previously approved and we will review the expired file for information which will help expedite the processing. If you have any questions please contact Joe Lara at (505) 234-5915 or Betty Hill at (505) 234-5937.

Sincerely,

*Mary Jo Rugwell*  
Mary Jo Rugwell  
Assistant Field Manager  
Lands & Minerals

4 Enclosures

bcc:  
BLM I&E (CFO/HFS)  
NMOCD (Artesia/Hobbs)  
NM (062, L. Askwig)