



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

Bill Richardson
Governor
Joanna Prukop
Cabinet Secretary

Lori Wrotenberg
Director
Oil Conservation Division

COMMINGLING ORDER PC-1096

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

Attention: Mr. Chuck Morgan

LEASE: Enron State Lease (Lease No. B-5862)
DESCRIPTION: NW/4 NW/4 of Section 31 and N/2 NW/4 of Section 32,
Township 17 South, Range 28 East, NMPM,
Eddy County, New Mexico

WELLS: Enron State No. 1 (API No. 30-015-31530)
Unit C, Section 32, T-17S, R-28E, NMPM,
Artesia Queen-Grayburg-San Andres Pool

Enron State No. 2 (API No. 30-015-31920)
Unit D, Section 32, T-17S, R-28E, NMPM,
Artesia Queen-Grayburg-San Andres Pool

Enron State No. 4 (API No. 30-015-32162)
Unit D, Section 31, T-17S, R28E, NMPM,
Northeast Red Lake Glorieta-Yeso Pool

The above-named company is hereby authorized to commingle commonly-owned Artesia Queen-Grayburg-San Andres (Oil – 03230) and Northeast Red Lake Glorieta-Yeso Pool production from the above-mentioned wells and to determine production from each well by quarterly well tests.

NOTE: This installation shall be installed and operated in accordance with the applicable Division rules and regulations. It is the responsibility of the producer to notify the transporter of this commingling authority.

FURTHER: The operator shall notify the Artesia District Office of the Division upon implementation of commingling operations.

Administrative Order PC-1096

SDX Resources, Inc.

July 7, 2003

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DONE at Santa Fe, New Mexico, on this 7th day of July, 2003.

A handwritten signature in cursive script, reading "Lori Wrotenbery by De". The signature is written in black ink and is positioned above a horizontal line.

LORI WROTENBERY,
Division Director

LW/DRC

cc: Oil Conservation Division- Artesia
State Land Office-Oil & Gas Division