



PATRICK H. LYONS
COMMISSIONER

State of New Mexico
Commissioner of Public Lands

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COMMISSIONER'S OFFICE

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June 13, 2003

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

Attn: Mr. Chuck Morgan

Re: Surface Commingling Application
Secs. 31, 32-17S-28E
Enron State Well No. 1 (C) Sec. 32-17S-28E Artesia, Qn-Gb-Sa
Enron State Well No. 2 (D) Sec. 32-17S-28E Artesia, Qn-Gb-Sa
Enron State Well No. 4 (D) Sec. 31-17S-28E Red Lake Glorieta
Eddy County, New Mexico

RECEIVED

JUN 16 2003

Oil Conservation Division

Dear Mr. Morgan:

We are in receipt of your letter of June 5, 2003, requesting permission to commingle the production from the State # 4 well (producing from the Artesia Red Lake Glorieta pool) with production from the Enron State # 1 and 2 wells (producing from the Artesia-Qn-Gb-Sa pool).

It is our understanding that production will be allocated based on wells tests performed quarterly.

Since it appears that all the New Mexico Oil Conservation Division's rules and regulations have been complied with, and there will be no loss of revenue to the State of New Mexico as a result of your proposed operation, your request is hereby approved. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

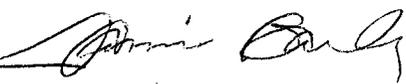
Your \$30.00 dollar filing has been received.

If you have any questions or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

PATRICK H. LYONS
COMMISSIONER OF PUBLIC LANDS

BY:

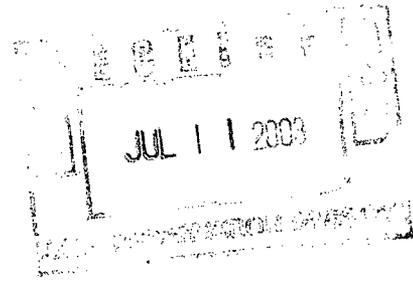

JAMI BAILEY, Director
Oil, Gas and Minerals Division
(505) 827-5744

PL/JB/pm

pc: Reader File,

OCD-Attention: David Catanach,

BURLINGTON RESOURCES



July 10, 2003

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, New Mexico 87410

Re: San Juan 30-6 Unit #93B
F Section 33, T-30-N, R-7-W
30-039-26893

File here

REVISED

Gentlemen:

Attached is a copy of the allocation for the subject well that was completed 6-20-03. DHC-3160 was issued for this well.

| | | |
|------|-----------------|-----|
| Gas: | Pictured Cliffs | 10% |
| | Mesaverde | 82% |
| | Dakota | 8% |
| Oil: | Pictured Cliffs | 10% |
| | Mesaverde | 82% |
| | Dakota | 8% |

*Original
7/11/03
in
RBDM*

These percentages are based upon isolated flow tests from the Pictured Cliffs, Mesaverde and Dakota formations during completion operations. Oil was not present during flow test operations. For that reason, oil percentages are based upon gas allocation and are provided in the event this wellbore begins producing oil at some point in the future.

Please let me know if you have any questions.

Sincerely,

Peggy Cole
Peggy Cole
Regulatory Supervisor

Xc: NMOCD – Santa Fe
Bureau of Land Management

PRODUCTION ALLOCATION FORMULA USING WELL TEST INFORMATION

San Juan 30-6 #93B

(Pictured Cliffs/Dakota/Mesaverde) Commingle

Unit F, 33-T30N-R7W

Rio Arriba County, New Mexico

Allocation Formula Method:

Separator test from Pictured Cliffs = 184 MCFD & 0 BO

Separator test from Dakota = 142 MCFD & 0 BO

Separator test from Mesaverde = 1506 MCFD & 0 BO

GAS:

$$\frac{(PC) 184 \text{ MCFD}}{(PC/ DK/MV) 1832 \text{ MCFD}} = (PC) \% \text{ Pictured Cliffs 10\%}$$

$$\frac{(DK) 142 \text{ MCFD}}{(PC/ DK/MV) 1832 \text{ MCFD}} = (DK) \% \text{ Dakota 8\%}$$

$$\frac{(MV) 1506 \text{ MCFD}}{(PC/ DK/MV) 1832 \text{ MCFD}} = (MV) \% \text{ Mesaverde 82\%}$$

OIL:

$$\frac{(PC) 0 \text{ BO}}{(PC/ DK/MV) 0 \text{ BO}} = (PC) \% \text{ Pictured Cliffs 10\%}$$

$$\frac{(DK) 0 \text{ BO}}{(PC/ DK/MV) 0 \text{ BO}} = (DK) \% \text{ Dakota 8\%}$$

$$\frac{(MV) 0 \text{ BO}}{(PC/ DK/MV) 0 \text{ BO}} = (MV) \% \text{ Mesaverde 82\%}$$