

COMMISSIONER'S OFFICE

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DHC-2957

COMMERCIAL RESOURCES

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ROYALTY MANAGEMENT

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SURFACE RESOURCES

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**New Mexico State Land Office
Commissioner of Public Lands
Ray Powell, M.S., D.V.M.**

October 10, 2001

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

Attn: Mr. Chuck Morgan

Re: Application for Downhole Commingling
Boggy State Well No. 1
Unit Letter P, Section 36-17S-26E
Northwest Red Lake Glorieta Yeso and Undesignated Red Lake Queen-Grayburg-San Andres Pools
Eddy County, New Mexico

Dear Mr. Morgan:

The New Mexico Oil Conservation Division has advised this office that SDX Resources, Inc. has applied to downhole commingle the production from the Boggy State Well No. 1. SDX Resources, Inc. proposes to commingle the production from the Northwest Red Lake Glorieta Yeso and Undesignated Red Lake Queen-Grayburg-San Andres Pools.

Pursuant to State Land Office Rule No. 1.053, 1.054 and 1.055, please submit an application to this office for our approval together with the data recommended on the attached commingling pre-application form. The filing fee for a commingling application is \$30.00.

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

Very truly yours,

RAY POWELL, M.S., D.V.M.
COMMISSIONER OF PUBLIC LANDS

BY:

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

RP/JB/cpm

Enclosure

xc: Reader File

OCD--Attention: David Catanach

"WE WORK FOR EDUCATION"

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