



STATE OF NEW MEXICO
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT
OIL CONSERVATION DIVISION



BRUCE KING
GOVERNOR

June 20, 1994

POST OFFICE BOX 2088
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO 87504
(505) 827-5800

ANITA LOCKWOOD
CABINET SECRETARY

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

Attention: Chuck Morgan

Administrative Order NSL-3402

Dear Mr. Morgan:

Reference is made to your application dated May 1, 1994 for three unorthodox oil well locations for the purpose of completing an efficient injection/production pattern on your Dunn "B" Federal Lease within the International Oil & Gas Queen-Grayburg-San Andres Waterflood Project Area, established by Division Order No. 2869 dated February 11, 1965.

These three wells are to be located in Township 18 South, Range 28 East, NMPM, Artesia-Queen-Grayburg-San Andres Pool, Eddy County, New Mexico.

<i>Well No.</i>	<i>Footage Location</i>	<i>Section</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
<i>34</i>	<i>1310' FSL - 1350' FEL</i>	<i>10</i>	<i>B</i>	<i>NW/4 NE/4</i>
<i>35</i>	<i>2630' FSL - 1310' FWL</i>	<i>11</i>	<i>F</i>	<i>SE/4 NW/4</i>
<i>36</i>	<i>330' FSL - 10' FWL</i>	<i>12</i>	<i>M</i>	<i>SW/4 SW/4</i>

By the authority granted me under the provisions of General Rule 104 F.(1), the above-described unorthodox oil well locations are hereby approved.

Sincerely,

William J. LeMay
Director

WJL/MES/amg

cc: Oil Conservation Division - Hobbs
US Bureau of Land Management - Carlsbad