

State of New Mexico  
**ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT**  
Santa Fe, New Mexico 87505



**OIL CONSERVATION DIVISION**



January 17, 1995

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

Attention: Chuck Morgan

*Administrative Order NSL-3465*

Dear Mr. Morgan:

Reference is made to your application dated October 26, 1994 for eleven 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. R-2869 dated February 11, 1965.

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

<i>Name &amp; Well No.</i>	<i>Footage Location</i>	<i>Section</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
38	1330' FNL -2583' FEL	10	G	SW/4 NE/4
39	1319' FNL - 60' FEL	10	A	NE/4 NE/4
40	330' FNL - 1309' FWL	10	C	NE/4 NW/4
41	330' FNL - 2583' FEL	10	B	NW/4 NE/4

**VILLAGRA BUILDING - 408 Galisteo**

Forestry and Resources Conservation Division  
P.O. Box 1948 87504-1948  
827-5830

Park and Recreation Division  
P.O. Box 1147 87504-1147  
827-7465

**2040 South Pacheco**

Office of the Secretary  
827-5950

Administrative Services  
827-5925

Energy Conservation & Management  
827-5900

Mining and Minerals  
827-5970

Oil Conservation  
827-7131

<i>Name &amp; Well No.</i>	<i>Footage Location</i>	<i>Section</i>	<i>Unit</i>	<i>Dedicated 40-Acre Tract</i>
42	330' FNL - 1192' FEL	10	A	NE/4 NE/4
43	1330' FNL - 1509' FWL	10	F	SE/4 NW/4
44	2310' FNL - 1309' FWL	10	F	SE/4 NW/4
45	2310' FNL - 2583' FEL	10	G	SW/4 NE/4
46	2500' FNL - 1330' FEL	10	G	SW/4 NE/4
47	2595' FSL - 10' FEL	10	I	NE/4 SE/4
50	1310' FNL - 1300' FWL	11	D	NW/4 NW/4

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/kv

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