



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

Hobbs - District I
1625 North French Drive
Hobbs, NM 88240
OFF: (505) 393-6161
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Jennifer A. Salisbury
CABINET SECRETARY

August 27, 1999

SDX Resources, Inc.
ATT: Bonnie Atwater
P. O. Box 5061
Midland, TX 79704-5061

RE: Reclassification of Well
Meyers B Federal, #1-I
Sec. 22-T24S-R36E
Jalmat Tansill Yates SR Pool

Gentlemen:

The annual Gas-Oil-Ratio Test for the above-referenced well indicated this well should be reclassified from an oil well to a gas well in the Jalmat Tansill Yates Seven Rivers Pool, with the oil allowable being cancelled effective January 1, 2000.

If this test does not reflect the proper classification of this well, please submit another test for our consideration by September 8, 1999.

If the well is to be reclassified from oil to gas you will need to submit the following:

1. Form C-102 acreage dedication plat for the well outlining a standard 160 acres proration unit or application for a NSP.
2. Form C-104 showing reclassification from oil to gas effective January 1, 2000, indicating transporters of condensate and dry gas For this well.
3. Indicate if gas well gas is separately metered.

If you have questions concerning the above, please contact Nelda Morgan at (505) 393-6161 Ext. 101.

Very truly yours,
OIL CONSERVATION DIVISION

Chris Williams

Chris Williams
Supervisor, District I
CW:nm

Remains Del'd
Rec'd 9-10-99

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