

**NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT****OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7121**

March 31, 1999

SDX Resources, Inc.
P. O. Box 5061
Midland, Texas 79704
Attention: Chuck Morgan

Administrative Order NSL-833-A (SD)

Dear Mr. Morgan:

Reference is made to your application dated March 5, 1999 for an unorthodox Jalmat gas well location in an existing non-standard 160-acre gas spacing and proration unit ("GPU") for the Jalmat Gas Pool comprising the NE/4 of Section 8, Township 25 South, Range 37 East, NMPM, Lea County, New Mexico. This GPU was established by Division Administrative Order NSP-1046, as amended, and had dedicated thereon the Langlie Jal Federal Well No. 1 (API No. 30-025-25498), located at an unorthodox gas well location 330 feet from the North and East lines (Unit A) of Section 8 (approved by Division Administrative Order NSL-833, dated March 24, 1977).

By authority granted me under the provisions of Rule 2(d) of the "*Special Rules and Regulations for the Jalmat Gas Pool*", as promulgated by Division Order No. R-8170, as amended, and Division Rule 104.F (2) the following well to be drilled at an unorthodox Jalmat gas well location in Section 5 is hereby approved:

**Langlie Jal Federal Well No. 2
1930' FNL & 1880' FEL (Unit G).**

Also, you are hereby authorized to simultaneously dedicate Jalmat gas production from the proposed Langlie Jal Federal Well No. 2 with the existing Langlie Jal Federal Well No. 1. Furthermore, you are hereby permitted to produce the allowable assigned the subject 160-acre GPU from both wells in any proportion

Sincerely,

Lori Wrotenbery
Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs
U. S. Bureau of Land Management - Carlsbad
File: NSL-833
NSP-1046