



**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
Enco State, #1-A
Sec. 32-T24S-R37E
Jalmat Tansill Yates SR Pool

Gentlemen:

According to the most recently submitted Gas-Oil-Ratio Test dated 5-5-99, the above-referenced well will be reclassified from a prorated gas well to an oil well in the Jalmat Tansill Yates Seven Rivers Pool effective January 1, 2000, and the gas allowable cancelled effective that date.

If for some reason you feel 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 to an oil well in the Jalmat Tansill Yates Seven Rivers Pool, please submit the following:

1. Revised Form C-102, acreage dedication plat, outlining 40 acres for this oil well completion.
2. Form C-104 showing reclassification from gas to oil effective January 1, 2000, and designating change of transporter to oil and casinghead gas.

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 Gas
Rec'd 9-10-99
J
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