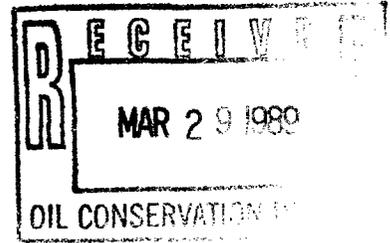


STEVE SELL  
P.O. Box 5061  
MIDLAND, TEXAS 79704  
(915) 687-1664



March 27, 1989

Oil Conservation Commission  
P.O. Box 2088  
Santa Fe, New Mexico 87054-2088

Re: Unorthodox Location  
Section 35 T21S, R24E  
Indian Basin Pool  
Eddy County, New Mexico

Dear Mike Stogner:

As per our letter dated March 21, 1989, Steve Sell is proposing the referenced well to test the Cisco and the Morrow Formation with an anticipated total depth of 10,500'.

Please call our office at 915-685-1761 if there are any questions.

Sincerely yours,

*Kurt Boley*  
Kurt Boley  
Geologist

KB:gm

cc: All off-set operators

R. MIKE STOGNER

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

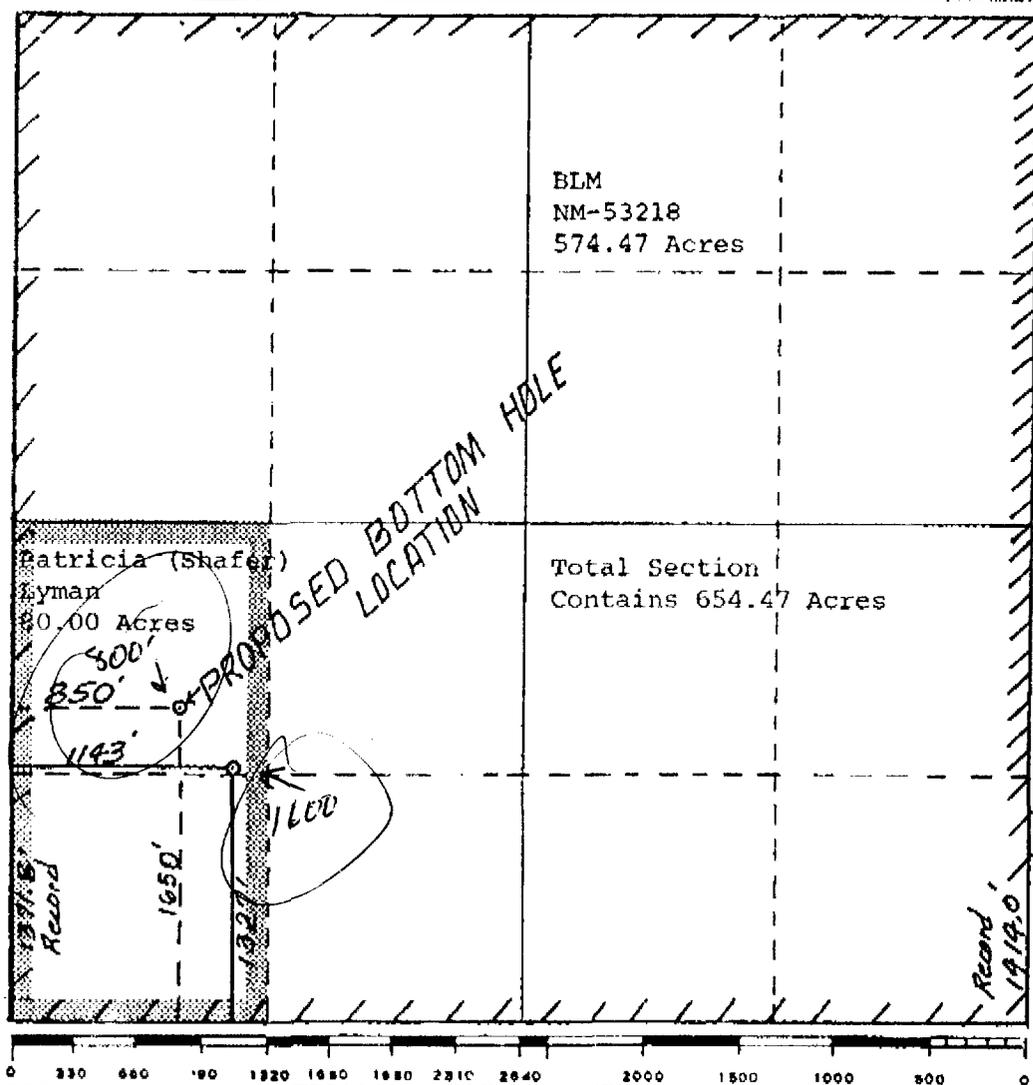
|  |  |                                    |                             |   |                      |
|--|--|------------------------------------|-----------------------------|---|----------------------|
| Operator<br><b>STEVE SELL</b>  |  | Lease<br><b>Shafer Federal Com</b> |                             |   | Well No.<br><b>1</b> |
| Unit Letter<br><b>M</b>  | Section<br><b>35</b>                       | Township<br><b>21 South</b>        | Range<br><b>24 East</b>     | County<br><b>Eddy County, N.M.</b>        |                      |
| Actual Footage Location of Well:<br><b>1143</b> feet from the <b>West</b> line and <b>1327</b> feet from the <b>South</b> line |  |                                    |                             |   |                      |
| Ground Level Elev.<br><b>3842.</b>   | Producing Formation<br><b>Cisco/Morrow</b> |                                    | Pool<br><b>Indian Basin</b> | Dedicated Acreage:<br><b>654.47</b> Acres |                      |

- Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty). Patricia H. (Shafer) Lyman (Fee Land)  $80/654.47 \times .1875 = .0229193$  Net Royalty BLM NM-53218  $574.47/654.47 \times .125 = .1097205$  Net Royalty Steve Sell 100% WI
- If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation Communitization

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.)

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



|   |                              |
|---|------------------------------|
| CERTIFICATION   |                              |
| I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. |                              |
| Name  | <i>Kurt Boley</i>            |
| Position  | <b>Geologist</b>             |
| Company   | <b>Steve Sell</b>            |
| Date  | <b>3-23-89</b>               |
|   |                              |
| Date Surveyed   | <b>March 22, 1989</b>        |
| Registered Professional Engineer and/or Land Surveyor   |                              |
| <i>Dan R. Redd</i>  |                              |
| Certificate No.   | <b>NM PE&amp;LS NO. 5412</b> |