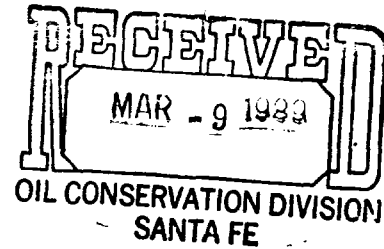


STEVE SELL
P.O. Box 5061
MIDLAND, TEXAS 79704
(915) 687-1664



March 8, 1989

Oil Conservation Commission
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Attn: Mike Stogner

Case 9635

On February 22, 1989 Donahoe Oil and Gas successfully acquired Section 5 of Township 22 South, Range 24 East through oral bidding. Steve Sell will be the operator of a well to be drilled in Section 5.

We are seeking an unorthodox location in Section 5 being 1294' from the north line and 2063' from the west line. The Indian Basin Upper Penn. as well as the Morrow field rules state a well should be 1650' from the outer boundaries and 330' from the interior 40 acres. Our location meets all the requirements except that we propose a well 1294' from the north line due to harsh topography and geologic structure. It is critical in the Upper Penn. (Cisco) to be structurally as high above the -3500' contour as possible due to a natural water flood front currently at approximately -3560' and rising. The proposed location is the only topographically feasible location above the water contact, and as close to field rules as possible.

There are many unorthodox locations in and around this lease due to the topography and geologic structure, including our north offset operator's well in 32 22 23. This is Citation Oil and Gas' #1-IB Getty State well where a Morrow test is purportedly about to be placed on production, 1270' north of our north line.

I have expressed mailed a copy of everything sent to the Oil Conservation Commission to all of our offset operators. The Oil Conservation Commission has been "faxed" as well as expressed mailed a copy of all pertinent materials.

Please review our request and notify me at your convenience of the results of your conclusions. Please call 915-685-1761 if you have any questions or comments.

Sincerely yours,

Kurt Boley

Kurt Boley
Petroleum Geologist
for Steve Sell

KB:gm

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.

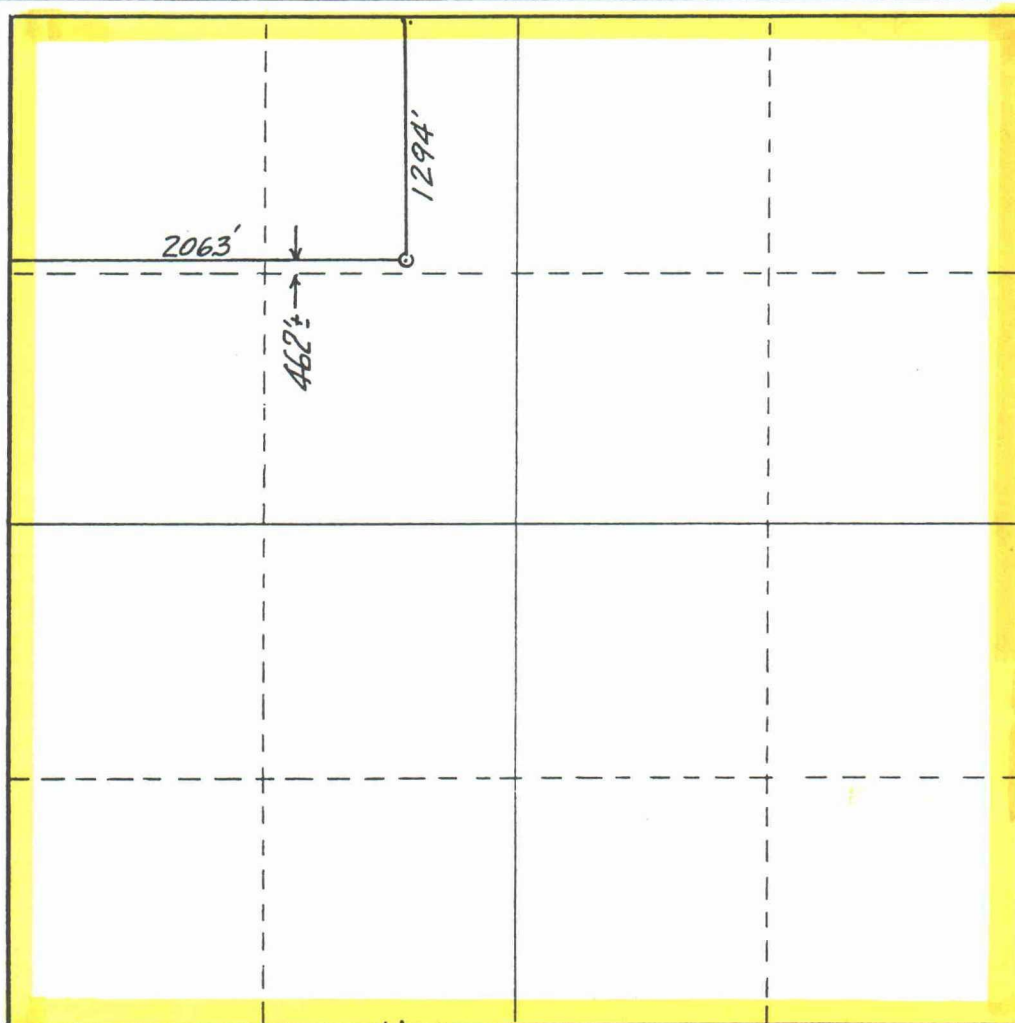
Operator Steve Sell			Lease Bandaid Federal		Well No. 1
Unit Letter C	Section 5	Township 22 South	Range 24 East	County Eddy County, N.M.	
Actual Footage Location of Well: 1294 feet from the North line and 2063 feet from the West line					
Ground Level Elev. 4206.	Producing Formation Cisco Reef		Pool Indian Basin	Dedicated Acreage: 692.88 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. 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? N/A

☐ Yes ☐ No If answer is "yes," type of consolidation _____

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.

Kurt Boley

Name Kurt Boley

Position

Geologist

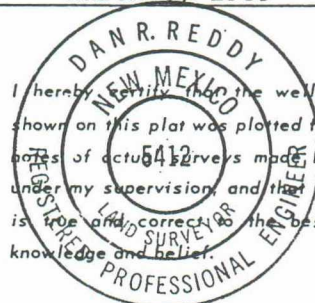
Company

Steve Sell

Date

March 8, 1989

I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my knowledge and belief.



Date Surveyed

March 7, 1989

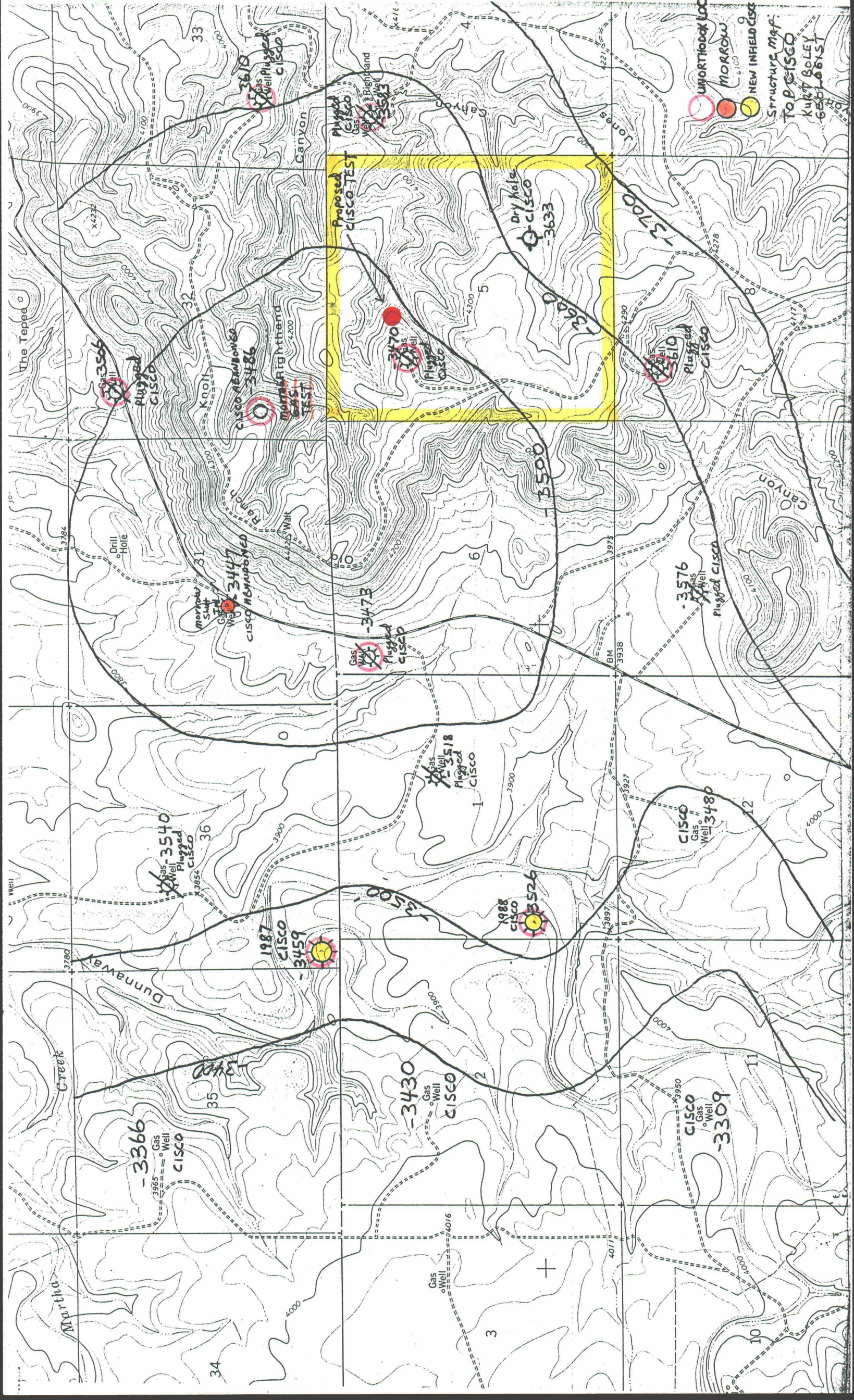
Registered Professional Engineer
and/or Land Surveyor

Dan R. Reddy

Certificate No.

NM PE&LS NO. 5412

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



अभिषेक

