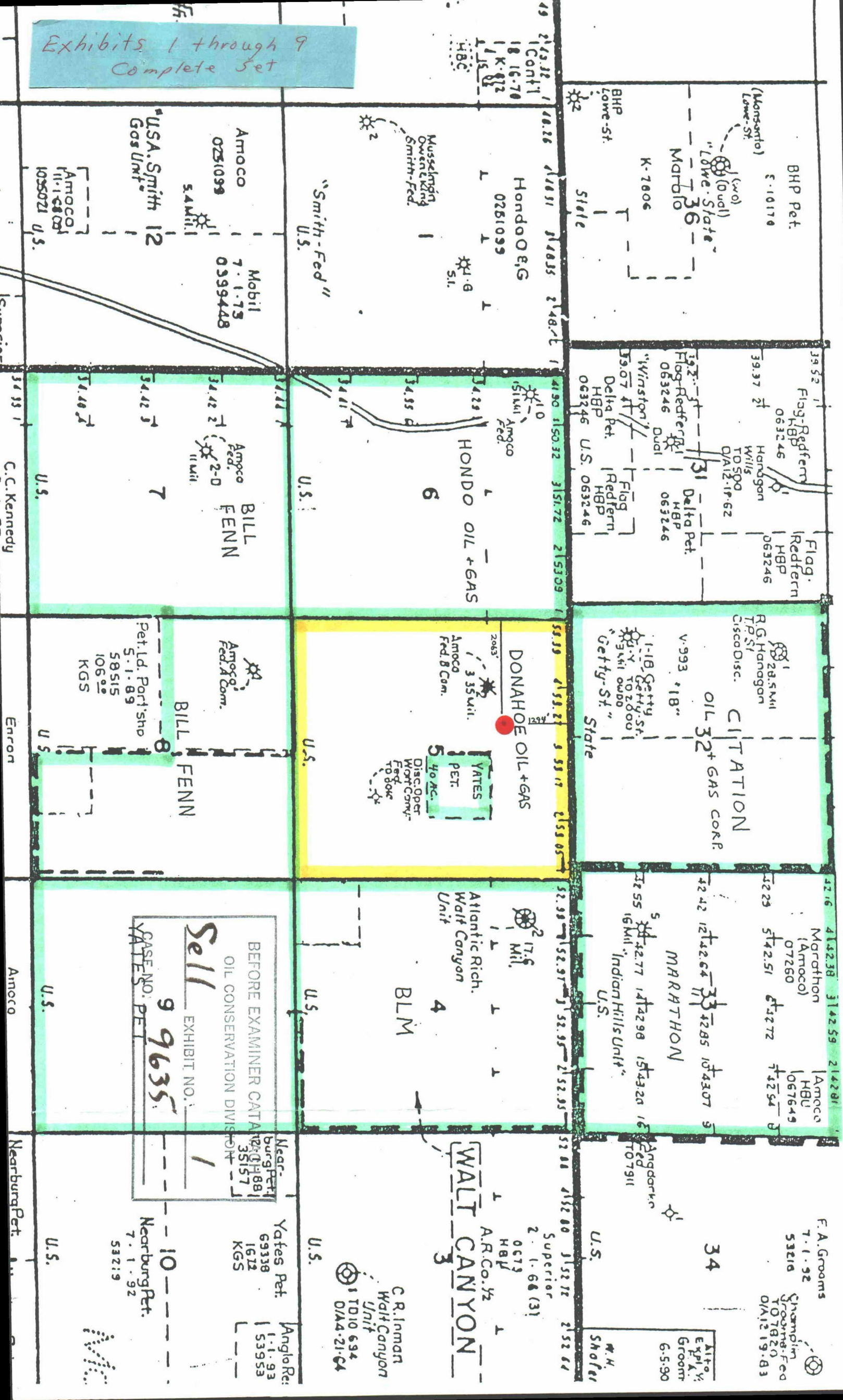


Exhibits 1 through 9  
Complete Set



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT  
OIL CONSERVATION DIVISION

IN THE MATTER OF THE APPLICATION  
OF STEVE SELL, FOR UNORTHODOX  
WELL LOCATION AND COMPULSORY  
POOLING, EDDY COUNTY, NEW MEXICO

Case No. 9635

CERTIFICATE OF MAILING  
AND  
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on March 8, 1989, I caused to be mailed by express mail, return receipt, a notice of this hearing and a copy of the application for the above referenced case along with the cover letter, at least twenty days prior to the hearing set for March 29, 1989 to the parties shown in the Exhibit A as evidenced by the attached copies of the return receipts.

Kurt Boley  
Kurt Boley

SUBSCRIBED AND SWORN TO before me on this March 28, 1989 by Kurt Boley, agent for the applicant.

Dublin R. Montoya  
Notary Public

My Commission Expires:

July 25, 1989

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<u>Sell</u>	EXHIBIT NO. <u>2</u>
CASE NO:	<u>9635</u>

Express Mail

4100  
CITATION OIL and GAS CORP.  
16800 GREENS POINT PARK DR.  
SUITE 300 SOUTH  
HOUSTON, TEXAS 77060

4100  
BILL FENN OIL and GAS EXPLORATION INC.  
P.O. DRAWER 569  
GIDDINGS, TEXAS 78942

5100  
HONDO OIL and GAS COMPANY  
P.O. BOX 2208  
ROSWELL, New Mexico 88202

5100  
YATES PETROLEUM CORPORATION  
105 South 4th St.  
Artesia, New Mexico 88210

MARATHON OIL COMPANY  
P.O. BOX 552  
Midland, Texas 79702

8145  
Oil Conservation Commission  
Box 2088  
Santa Fe, N.M. 87504-2088

OK #1030  
#43.75  
Post Master

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

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  
Petroleum Geologist  
for Steve Sell

KB:gm

# POST OFFICE TO ADDRESSEE

## EXPRESS MAIL NEXT DAY SERVICE



NB 393 230 41X

<b>ORIGIN</b>		Date In: <u>7-5-88</u>	Postage \$ <u>2.75</u>
Post Office ZIP Code: <u>79704</u>	Time In: <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.	Return Receipt \$	C.O.D. \$
Initials of Receiving Clerk: <u>[Signature]</u>	Weight: <u>2</u> lbs. <u>0</u> oz.		
<b>ACCEPTANCE</b> <input checked="" type="checkbox"/> Next Day Delivery or <input type="checkbox"/> Second Day Delivery <input type="checkbox"/> By 12 Noon or <input checked="" type="checkbox"/> By 3:00 P.M. <input type="checkbox"/> Express Mail Military Service <input type="checkbox"/> International Express Mail Country Code <u>      </u>			
Express Mail Corporate Account No.: <u>      </u>		Federal Agency Account No.: <u>      </u>	

**FROM:**  
Mr. [Signature]  
Box 5001  
Midland, TX 79704

**Service Guarantee:** If the shipment is mailed at designated USPS Express Mail service facilities on or before the specified deposit time for overnight delivery to the addressee, it will be delivered to the addressee or agent before noon or 3:00 p.m. the next day. Upon application by the mailer, the USPS will refund the postage for this shipment if it is not delivered before noon or 3:00 p.m. of the next day, unless delivery was attempted, but could not be made, or because this shipment was delayed by strike or work stoppage. Consult your local Express Mail directory for morning and afternoon delivery areas. See the Domestic Mail Manual, Chapter 2, for details. Signature of the addressee, addressee's agent, or delivery employee is required upon delivery. Express Mail International Service mailings are not covered by this service guarantee. See the International Mail Manual for details.

**Insurance Coverage:** (See Section 295 of the Domestic Mail Manual for exclusions of coverage, such as negotiable items and consequential loss.) (1) Merchandise Insurance. Merchandise is insured against loss, damage or rifling up to a maximum of \$500. Indemnity will not be paid for spoilage of perishable items. (2) Document Reconstruction Insurance. Non-negotiable documents are insured against loss, damage or rifling up to \$50,000 per piece subject to a limit of \$500,000 per occurrence. (3) The maximum indemnity payable for negotiable items, cash, currency, or bullion is \$15.

**Claims:**  
 (1) Claims for delay, loss, damage or rifling must be made within 90 days. Claim forms may be obtained and filed at any post office.  
 (2) The Customer Receipt must be presented when a claim is filed.

**Waiver of Signature and Indemnity (Domestic Only)**

I wish delivery to be made without obtaining the signature of the addressee or the addressee's agent (if in the judgment of the delivery employee, the article can be left in a secure location) and I authorize the delivery employee to sign that the shipment was delivered and understand that the signature of the delivery employee will constitute valid proof of delivery.

SIGNED       

### CUSTOMER RECEIPT

**TO:** Telephone Number:         
BILL FENNELL & GAS EXPLORATION INC  
P.O. DRAWER 569  
GIDDINGS, TX 78942

Label 1-B (July 1988)

Thank You For Using Express Mail Service

# POST OFFICE TO ADDRESSEE

## EXPRESS MAIL NEXT DAY SERVICE



NB 393 230 387

<b>ORIGIN</b>		Date In: <u>7-5-88</u>	Postage \$ <u>2.75</u>
Post Office ZIP Code: <u>79704</u>	Time In: <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.	Return Receipt \$	C.O.D. \$
Initials of Receiving Clerk: <u>[Signature]</u>	Weight: <u>2</u> lbs. <u>0</u> oz.		
<b>ACCEPTANCE</b> <input checked="" type="checkbox"/> Next Day Delivery or <input type="checkbox"/> Second Day Delivery <input type="checkbox"/> By 12 Noon or <input checked="" type="checkbox"/> By 3:00 P.M. <input type="checkbox"/> Express Mail Military Service <input type="checkbox"/> International Express Mail Country Code <u>      </u>			
Express Mail Corporate Account No.: <u>      </u>		Federal Agency Account No.: <u>      </u>	

**FROM:**  
Mr. [Signature]  
Box 5001  
Midland, TX 79704

**Service Guarantee:** If the shipment is mailed at designated USPS Express Mail service facilities on or before the specified deposit time for overnight delivery to the addressee, it will be delivered to the addressee or agent before noon or 3:00 p.m. the next day. Upon application by the mailer, the USPS will refund the postage for this shipment if it is not delivered before noon or 3:00 p.m. of the next day, unless delivery was attempted, but could not be made, or because this shipment was delayed by strike or work stoppage. Consult your local Express Mail directory for morning and afternoon delivery areas. See the Domestic Mail Manual, Chapter 2, for details. Signature of the addressee, addressee's agent, or delivery employee is required upon delivery. Express Mail International Service mailings are not covered by this service guarantee. See the International Mail Manual for details.

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SIGNED       

### CUSTOMER RECEIPT

**TO:** Telephone Number:         
BILL FENNELL & GAS EXPLORATION INC  
P.O. DRAWER 569  
GIDDINGS, TX 78942

Label 1-B (July 1988)

Thank You For Using Express Mail Service



# POST OFFICE TO ADDRESSEE

**EXPRESS MAIL**  
**NEXT DAY SERVICE**



NB 393 230 376

<b>ORIGIN</b>	Date In: 5/37	Postage \$ 3.25
Post Office: 77704	Time In: <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.	Return Receipt \$
Initials of Receiving Clerk: [Signature]	Weight: _____ lbs. _____ oz.	C.O.D. \$
<b>ACCEPTANCE</b> <input checked="" type="checkbox"/> Next Day Delivery or <input type="checkbox"/> Second Day Delivery <input type="checkbox"/> By 12 Noon or <input type="checkbox"/> By 3:00 P.M. <input type="checkbox"/> Express Mail Military Service <input type="checkbox"/> International Express Mail Country Code _____		Total Postage & Fees \$ 3.25

Express Mail Corporate Account No.:	Federal Agency Account No.:
-------------------------------------	-----------------------------

**FROM:**  
*Blue Jean*  
*Box 506*  
*Midland, TX 79704*

**Service Guarantee:** If this shipment is mailed at designated USPS Express Mail service facilities on or before the specified deposit time for overnight delivery to the addressee, it will be delivered to the addressee or agent before noon or 3:00 p.m. the next day. Upon application by the mailer, the USPS will refund the postage for this shipment if it is not delivered before noon or 3:00 p.m. of the next day, unless delivery was attempted, but could not be made, or because this shipment was delayed by strike or work stoppage. Consult your local Express Mail directory for morning and afternoon delivery areas. See the Domestic Mail Manual, Chapter 2, for details. Signature of the addressee, addressee's agent, or delivery employee is required upon delivery. Express Mail International Service mailings are not covered by this service guarantee. See the International Mail Manual for details.

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SIGNED \_\_\_\_\_

## CUSTOMER RECEIPT

**TO:** Telephone Number: \_\_\_\_\_  
*CITATION OIL & GAS CORP.*  
*16800 Greenspoint PARK DR.*  
*SUITE 300 SOUTH*  
*HOUSTON TX 77060*

Label 1-B (July 1988)

Thank You For Using Express Mail Service

# POST OFFICE TO ADDRESSEE

**EXPRESS MAIL**  
**NEXT DAY SERVICE**



NB 393 230 398

<b>ORIGIN</b>	Date In: 5/37	Postage \$ 3.25
Post Office: 77704	Time In: <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.	Return Receipt \$
Initials of Receiving Clerk: [Signature]	Weight: _____ lbs. _____ oz.	C.O.D. \$
<b>ACCEPTANCE</b> <input checked="" type="checkbox"/> Next Day Delivery or <input type="checkbox"/> Second Day Delivery <input type="checkbox"/> By 12 Noon or <input type="checkbox"/> By 3:00 P.M. <input type="checkbox"/> Express Mail Military Service <input type="checkbox"/> International Express Mail Country Code _____		Total Postage & Fees \$ 3.25

Express Mail Corporate Account No.:	Federal Agency Account No.:
-------------------------------------	-----------------------------

**FROM:**  
*Blue Jean*  
*Box 506*  
*Midland, TX 79704*

**Service Guarantee:** If this shipment is mailed at designated USPS Express Mail service facilities on or before the specified deposit time for overnight delivery to the addressee, it will be delivered to the addressee or agent before noon or 3:00 p.m. the next day. Upon application by the mailer, the USPS will refund the postage for this shipment if it is not delivered before noon or 3:00 p.m. of the next day, unless delivery was attempted, but could not be made, or because this shipment was delayed by strike or work stoppage. Consult your local Express Mail directory for morning and afternoon delivery areas. See the Domestic Mail Manual, Chapter 2, for details. Signature of the addressee, addressee's agent, or delivery employee is required upon delivery. Express Mail International Service mailings are not covered by this service guarantee. See the International Mail Manual for details.

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SIGNED \_\_\_\_\_

## CUSTOMER RECEIPT

**TO:** Telephone Number: \_\_\_\_\_  
*16800 Greenspoint PARK DR.*  
*SUITE 300 SOUTH*  
*HOUSTON TX 77060*

Label 1-B (July 1988)

Thank You For Using Express Mail Service

# POST OFFICE TO ADDRESSEE EXPRESS MAIL NEXT DAY SERVICE



NB 393 230 409

<b>ORIGIN</b>	Date In: 5 57	Postage
Post Office ZIP Code: 79704	Time In: <input type="checkbox"/> A.M. <input type="checkbox"/> P.M.	Return Receipt \$
Initials of Receiving Clerk: [Signature]	Weight: 3 lbs. 3 oz.	C.O.D. \$
<b>ACCEPTANCE</b> <input type="checkbox"/> Next Day Delivery or <input type="checkbox"/> Second Day Delivery <input type="checkbox"/> By 12 Noon or <input type="checkbox"/> By 3:00 P.M. <input type="checkbox"/> Express Mail Military Service <input type="checkbox"/> International Express Mail Country Code _____		
Express Mail Corporate Account No.: _____ Federal Agency Account No.: _____		

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SIGNED \_\_\_\_\_

## CUSTOMER RECEIPT

**TO:**

Telephone Number: \_\_\_\_\_

EDWARD DILL & SONS CO.  
 P.O. BOX 2203  
 KOTWITZ, MS 39202

**FROM:** [Handwritten address and return information]

Label 11-B (July 1988)

Thank You For Using Express Mail Service



March 22, 1989

Steve Sell  
P.O. Box 5061  
Midland, Texas 79704

Attention: Steve Sell

Citation Oil & Gas Corporation as offset operator has no objection to the drilling of the unorthodox location for which you petitioned the Oil Conservation Commission of New Mexico on March 8, 1989, being 1294' from the North line and 2063' from the West line of section 5 in Township 22 South Range 24 East, Eddy County, New Mexico.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "Robert W. Unger", is written over the typed name.

Robert W. Unger  
Chief Geologist

BEFORE EXAMINER CATANACH	
OIL CONSERVATION DIVISION	
<i>Sell</i>	EXHIBIT NO. <u>3</u>
CASE NO.	<u>9635</u>

cc: Louis Stipp  
Rod Smith



BEFORE EXAMINER CATANACH  
OIL CONSERVATION DIVISION  
**Sell** EXHIBIT NO. **4**  
CASE NO. **9635**

