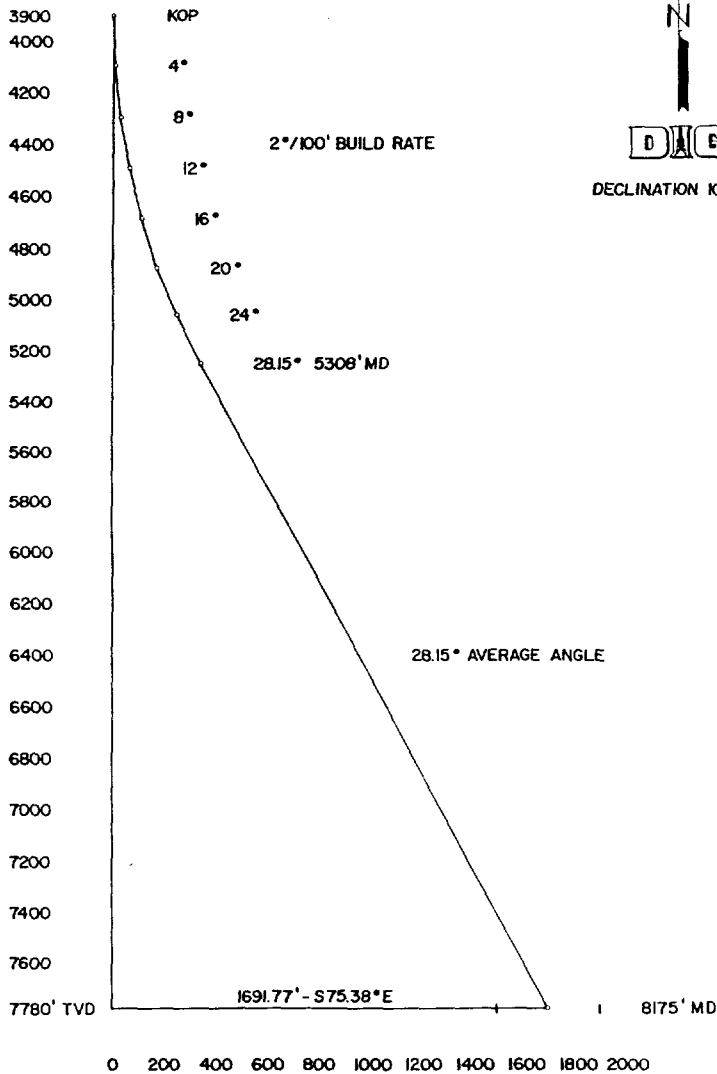


SDX RESOURCES, INC.
 SHAFER FEDERAL WELL NO. 1
 SEC. 35 T21S R24E
 EDDY COUNTY, NEW MEXICO

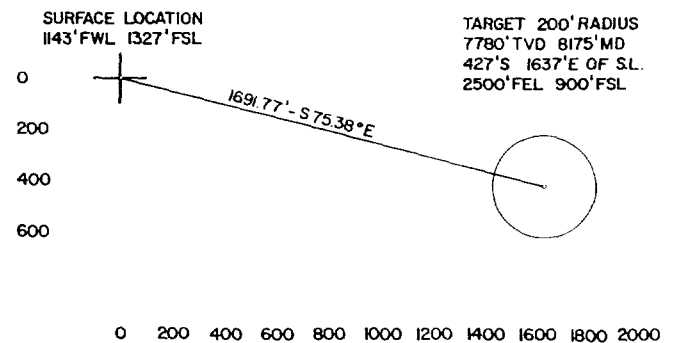
VERTICAL SECTION

SCALE - 1" = 200'



PLAN VIEW

SCALE - 1" = 200'



BEFORE EXAMINER STOGNER

Oil Conservation Division

See Exhibit No. 3

Case No. 9720

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

IN THE MATTER OF THE APPLICATION
OF STEVE SELL FOR FOR DIRECTIONAL
DRILLING AND AN UNORTHODOX GAS
WELL LOCATION
EDDY COUNTY, NEW MEXICO

CASE NO. 9720

CERTIFICATE OF MAILING
AND
COMPLIANCE WITH ORDER R-8054

In accordance with Division Rule 1207 (Order R-8054) I hereby certify that on July 18, 1989 I caused a notice of hearing in this case to be faxed or hand-delivered to the parties shown on the attached Exhibits A through C notifying them of the hearing to be held on August 9, 1989.

Kurt Boley
Kurt Boley

SUBSCRIBED AND SWORN TO before me this 9th day of August, 1989.

Dona Richardson
Notary Public

My Commission Expires:

Oct 28, 1989

BEFORE EXAMINER STOGNER

Oil Conservation Division

Sell Exhibit No. 4

Case No. 9720



WHITE BAY/RUBLOFF

MIDLAND, TEXAS 7-18-89

FAX # 915 683-4740

Attn: Dorothy Kemper

TO: Gates Petroleum

FROM: Steve Sell

TOTAL PAGES INCLUDING THIS PAGE 2

IF YOU DO NOT RECEIVE LEGIBLE COPIES OF ALL THE PAGES, PLEASE
CALL (915) 683-4641

COMMENTS: _____

**** TRANSMIT CONFIRMATION REPORT ****

Journal No. : 004
Receiver : 15058275741
Transmitter : RUBLOFF/MIDLAND
Date : Jul 18, 89 16:30
Time : 00'56
Mode : NORM
Document : 02 Pages
Result : O K



WHITE BAY/RUBLOFF

MIDLAND, TEXAS 7-18-89

FAX # 915 683-4740

Attn: David Catanach

TO: Oil Conservation Commission

FROM: Steve Sell

TOTAL PAGES INCLUDING THIS PAGE 2

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CALL (915) 683-4641

COMMENTS: _____

**** TRANSMIT CONFIRMATION REPORT ****

Journal No.	:	003
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Transmitter	:	RUBLOFF/MIDLAND
Date	:	Jul 18, 89 16:29
Time	:	00:51
Mode	:	NORM
Document	:	02 Pages
Result	:	O K

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

July 18, 1989

Re: Shafer Federal Comm. #1 - Plugback
Sec. 35, T21S, R24E
Surface Location: 1327'FSL, 1143'FWL
T.D. Location: 2700'FEL, 900'FSL
T.D.: +/- 8000'

To Whom It May Concern:

Please be advised that Steve Sell plans to re-enter the referenced well, plugback, and drill a deviated hole to prescribed depth - the objective zone is Cisco - Upper Penn.

The hearing date for the proposed well is August 9, 1989. Please call (915) 685-1761 if you have any questions.

Kurt Boley
Kurt Boley
Geologist

KB:bw

*received by Jill McDonald - MITCHELL
7/18/89 ENERGY.*

*Mary Young, for Neaburg Producing Co.
7/18/89*