

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

IN THE MATTER OF THE HEARING
CALLED BY THE OIL CONSERVATION
DIVISION FOR THE PURPOSE OF
CONSIDERING:

APPLICATION OF CITATION OIL & GAS CORP.
FOR TWO UNORTHODOX GAS WELL LOCATIONS
AND FOR SIMULTANEOUS DEDICATION
LEA COUNTY, NEW MEXICO.

CASE NO. 11638

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by CITATION OIL & GAS
CORP., as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Citation Oil & Gas Corp.
8223 Willow Place South
Suite 250
Houston, Texas 77070
attn: Gary Johnson
(281) 469-9664

ATTORNEY

W. Thomas Kellahin
KELLAHIN & KELLAHIN
P.O. Box 2265
Santa Fe, NM 87504
(505) 982-4285

STATEMENT OF CASE

On behalf of Citation Oil & Gas Corp., we respectfully request your approval of its application for a Unorthodox Eumont Gas Well Locations and for Simultaneous Dedication as follows:

(1) Division Order NSP-488, dated May 11, 1959 approved a 320-acre non-standard Eumont gas proration unit ("NSP") dedicated to the Devonian State Com Well No. 1 (API 30-025-03457) located 1980 feet from the East line and 1980 feet from the North line of Section 20, T21S, R36E, NMPM;

(2) As a result of an increasing gas-oil ratio which exceeded and continues to exceed 100,000 cubic feet of gas per barrel of oil, the Devonian State Well No. 3 (API 30-025-04730) located 660 feet from the North and East lines (Unit A) of Section 20, T21S, R36E, should have been reclassified from an oil well to a gas well in this pool as of December 1, 1990. We now seek to correct that error and ask that you approve:

(a) the dedication of this well to the existing 320-acre NSP; and

(b) the approval of an unorthodox well location for this well because the well is 660 feet from an outer boundary rather than 990 feet.

(3) In addition, as a result of an increasing gas-oil ratio which exceeded and continues to exceed 100,000 cubic feet of gas per barrel of oil, the Devonian State Well No. 2 (API 30-025-04729) located 660 feet from the North line and 1980 East line (Unit B) of Section 20, T21S, R36E, also should have been reclassified from an oil well to a gas well in this pool as of October 1, 1990. We now seek to correct that error and ask that you approve:

(a) the dedication of this well to the existing 320-acre NSP; and

(b) the approval of an unorthodox well location for this well because the well is 660 feet from an outer boundary rather than 990 feet.

PROPOSED EVIDENCE

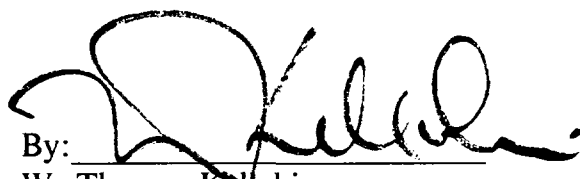
APPLICANT:

WITNESSES	EST. TIME	EXHIBITS
Gary Johnson (Vice President)	20 min.	@ 6 exhibits
Steve Robinson (Drilling & Production Manager)	20 Min.	@ 8 exhibits

PROCEDURAL MATTERS

None anticipated at this time.

KELLAHIN AND KELLAHIN

By: 
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