

CAMPBELL, CARR, BERGE  
& SHERIDAN, P.A.  
LAWYERS

MICHAEL B. CAMPBELL  
WILLIAM F. CARR  
BRADFORD C. BERGE  
MARK F. SHERIDAN

MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
PAUL R. OWEN

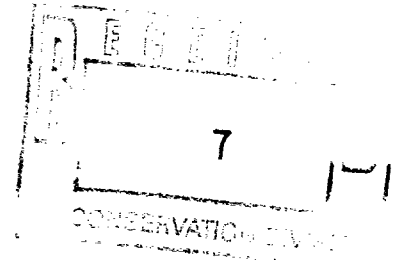
JACK M. CAMPBELL  
OF COUNSEL

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 27, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503



Re: Administrative Application of Citation Oil & Gas Corp. for an Unorthodox  
Gas Well Location and Simultaneous Dedication; Eumont Gas Pool, Lea  
County, New Mexico

Dear Mr. LeMay:

Chevron U.S.A. Production Company, received the enclosed application for administrative approval dated September 9, 1996. On behalf of Chevron we object to the proposed unorthodox well location and request that the matter be set for hearing at the next available examiner hearing.

Thank you for your attention to this matter.

Very truly yours,

William F. Carr

*2.5 miles S-SW of Oil Center*

WFC/edr

cc: Tom Kellahin  
M.R. Gilmore, Jr.

091 ✓

**KELLAHIN AND KELLAHIN**

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2208

SANTA FE, NEW MEXICO 87504-2208

W. THOMAS KELLAHIN\*

\*NEW MEXICO BOARD OF LEGAL SPECIALIZATION  
RECOGNIZED SPECIALIST IN THE AREA OF  
NATURAL RESOURCES, OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

**GARY C. JOHNSON**

SEP 2 1996  
TELEPHONE (505) 862-4225  
TELEFAX (505) 862-2247

**RECEIVED**

September 9, 1996

**HAND DELIVERED**

Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505

Attn: Michael E. Stogner

**RECEIVED**

SEP 5 1996

Oil Conservation Division

*Case 11638*

Re: Administrative Application of  
Citation Oil & Gas Corp. for  
an Unorthodox Gas Well Location and  
Simultaneous Dedication  
Eumont Gas Pool  
Lea County, New Mexico

Dear Mr. Stogner

On behalf of Citation Oil & Gas Corp., we respectfully request your approval of this administrative 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 in December, 1990. We now seek to correct that error and ask that you approve:

**Oil Conservation Division  
September 9, 1996  
Page 2**

(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 in September, 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 because the well is 660 feet from an outer boundary rather than 990 feet.

In accordance with Division Rule 104.D(2) and Rule 104.F, Citation has enclosed:

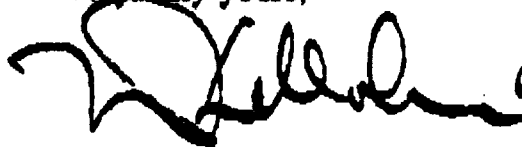
- (a) Exhibit "A" a map showing offset operators
- (b) Exhibit "B" Operator's Monthly Report  
Form C-115, page 6 dtd 7/96
- (c) Exhibit "C" notice list
- (d) Division Form C-102 for the two additional wells to be dedicated to the existing 320-acre non-standard proration unit.

Oil Conservation Division  
September 9, 1996  
Page 3

By copy of this letter and attachments, along with a waiver of objection form is being sent by Certified Mail to all offset operators as their notice of this application. We are hereby advising each of them that should they have any objection to this application, then they are required to file a written objection with the Division within twenty (20) days of the date of this application.

Please call me if you have any questions.

Very truly yours,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', written over a horizontal line.

W. Thomas Kellahin

cc: Citation Oil & Gas Corp.

District I  
 PG Box 1588, Hobbs, NM 88241-1588  
 District II  
 911 South First, Artesia, NM 88210  
 District III  
 1806 Rio Grande Rd., Alamogordo, NM 87410  
 District IV  
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
 2040 South Pacheco  
 Santa Fe, NM 87505

Form C-102  
 Revised October 18, 1994  
 Instructions on back  
 Submit to Appropriate District Office  
 State Lease - 4 Copies  
 Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

|                            |  |   |  |  |                    |
|----------------------------|--|---|--|--|--------------------|
| APN Number<br>30-025-04729 |  | Pool Code<br>76480                        |  | Pool Name<br>Eumont Yates Seven Rivers Queen (Pro Gas) |                    |
| Property Code<br>002821    |  | Property Name<br>Devonian State           |  |  | Well Number<br>2   |
| OGRID No.<br>004537        |  | Operator Name<br>Citation Oil & Gas Corp. |  |  | Elevation<br>3634' |

<sup>10</sup> Surface Location

| UL or lot no. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 20      | 21S      | 36E   |         | 660           | North            | 1980          | East           | Lea    |

<sup>11</sup> Bottom Hole Location If Different From Surface

| UL or lot no. | Section | Township | Range | Lot 1/4 | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B             | 20      | 21S      | 36E   |         | 660           | North            | 1980          | East           | Lea    |

|                                     |                               |                                  |                                    |
|-------------------------------------|-------------------------------|----------------------------------|------------------------------------|
| <sup>12</sup> Dedicated Acre<br>320 | <sup>13</sup> Joint or Infill | <sup>14</sup> Consolidation Code | <sup>15</sup> Order No.<br>NSP-488 |
|-------------------------------------|-------------------------------|----------------------------------|------------------------------------|

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

|                   |  |  |
|-------------------|--|--|
| <sup>16</sup><br> | <sup>17</sup> OPERATOR CERTIFICATION<br>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.<br><br>Signature: <u>Sharon Ward</u><br>Printed Name: <u>Sharon Ward</u><br>Title: <u>Regulatory Administrator</u><br>Date: <u>9-6-96</u><br>Done: |  |
|                   | <sup>18</sup> SURVEYOR CERTIFICATION<br>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 belief.  |  |
|                   | Date of Survey: _____<br>Signature and Seal of Professional Surveyor: _____  |  |
|                   | Certificate Number: _____  |  |

District I  
PO Box 1902, Hobbs, NM 88241-1902  
District II  
811 South First, Artesia, NM 88210  
District III  
3008 Rio Grande Rd., Aztec, NM 87418  
District IV  
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department

**OIL CONSERVATION DIVISION**  
2040 South Pacheco  
Santa Fe, NM 87505

Form C-102  
Revised October 18, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

☒ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

|                            |   |                    |  |
|----------------------------|---|--------------------|--|
| API Number<br>30-025-04730 |   | Pool Code<br>76480 | Pool Name<br>Eumont Yates Seven Rivers Queen (Pro Gas) |
| Property Code<br>002821    | Property Name<br>Devonian State           |                    | Well Number<br>3                                       |
| OGUID No.<br>004537        | Operator Name<br>Citation Oil & Gas Corp. |                    | Elevation<br>3634'                                     |

**10 Surface Location**

| UL or lot no. | Section | Township | Range | Lot 10n | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A             | 20      | 21S      | 36E   |         | 660           | North            | 660           | East           | Lea    |

**11 Bottom Hole Location If Different From Surface**

| UL or lot no. | Section | Township | Range | Lot 10n | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| A             | 20      | 21S      | 36E   |         | 660           | North            | 660           | East           | Lea    |

| Dedicated Acres | Joint or Sech | Consolidation Code | Order No. |
|-----------------|---------------|--------------------|-----------|
| 320             |               |                    | NSP-488   |

**NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION**

|           |  |  |  |
|-----------|--|--|--|
| <p>16</p> | <p><b>17 OPERATOR CERTIFICATION</b></p> <p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Sharon Ward</i></p> <p>Signature<br/>Sharon Ward<br/>Printed Name<br/>Regulatory Administrator<br/>Title<br/>9-6-96<br/>Date</p>  |  |  |
|           | <p><b>18 SURVEYOR CERTIFICATION</b></p> <p>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 belief.</p> <p>Date of Survey<br/>Signature and Seal of Professional Surveyor:<br/>Certificate Number</p> |  |  |
|           |  |  |  |
|           |  |  |  |

CITATION OIL & GAS CORP.  
Devonian State Com Lease  
Well No. 2

Unorthodox Location and  
Simultaneous Dedication Application  
Eumont Yates Seven River Queen (Pro Gas) Pool  
710' FSL & 660' FEL  
Section 20, T-21-S, R-16-E  
Lea County, New Mexico

PRORATION UNIT MAP  
OFFSET OPERATORS



**GRANITE 1**  
P.O. Box 3009, Hobbs, NM 88241-1909  
**GRANITE 24**  
401 South State, Artesia, NM 88210  
**GRANITE 101**  
1000 N. Adams, Artesia, NM 88210  
**GRANITE 18**  
2001 Smith Parkway, Bernalillo, NM 87035

State of New Mexico  
Mineral and Natural Resources Department  
U.S. ENVIRONMENTAL PROTECTION  
2800 South Pueblo  
Santa Fe, NM 87505

Form C-105 Final Page  
Revised May 1993

## Appendix A

**EXHIBIT**

B

**305110- 004777**

## 4. Healthier or not?

2. Description: SITUATED ON S 6th COMP.  
3. Address: 4123 MILLER PLACE NORTH STPA.  
MADISON, WY 83708-5422

## First 1 of 2

[illegible]

herby finally the information contained in this report is true and complete to the best of my knowledge

## Introduction

**Item number**

**COPIES FOR ANALYSIS**  
**only**

**00-21-93**  
**Date**

**Phone Number**  
**17151415-7064**



## NOTICE LIST

Jerry Sexton, Supervisor  
Oil Conservation Division  
P. O. Box 1980  
Hobbs, New Mexico 88240

ARCO Permian  
P. O. Box 1610  
Midland, Texas 79702  
Attn: David K. Newell

Chevron U.S.A. Production Company  
P. O. Box 1150  
Midland, Texas 79702  
Attn: Al W. Bohling

Conoco, Inc.  
10 Desta Drive, Suite 100W  
Midland, Texas 79705

Lewis B. Burleson Inc.  
Box 2479  
Midland, Texas 79702

John H. Hendrix Corporation  
P. O. Box 3040  
Midland, Texas 79701

