

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

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OIL CONSERVATION DIV.
SANTA FE

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

CASE NO. 10424

**APPLICATION OF CITATION OIL & GAS
CORPORATION FOR DOWNHOLE COMMINGLING,
MCKINLEY COUNTY, NEW MEXICO**

PRE-HEARING STATEMENT

This pre-hearing statement is submitted by Citation Oil and Gas Corporation as required by the Oil Conservation Division.

APPEARANCE OF PARTIES

APPLICANT

Citation Oil & Gas Corp.
8223 Willow Place South
Suite 250
Houston, Texas 77070-5623
(713) 469-9664
ATTN: Dan Kelly

ATTORNEY

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

OPPOSITION OR OTHER PARTY

ATTORNEY

N\A

Pre-Hearing Statement
Case No. 10424
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STATEMENT OF CASE

APPLICANT

Citation Oil & Gas Corporation is 100% working interest owner in both the South Hospah Unit and the Hospah Lease areas which are the subject of this application. This is all federal leasehold. However, the overriding royalty interest ownership is not identical between the South Hospah Upper Sand Pool wells and the South Hospah Lower Sand Pool wells.

Citation seeks to recover marginal oil production by extending the economic life of the wells through commingling of production between the two pools. Without downhole commingling, oil that otherwise could be produced must be abandoned. Citation seeks approval of an allocation formula based upon remaining recoverable reserves.

OPPOSITION OR OTHER PARTY

We are not aware of any.

Pre-Hearing Statement
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PROPOSED EVIDENCE

APPLICANT

WITNESSES	EST. TIME	EXHIBITS
Dan Kelly Petroleum Engineer	45 Minutes	Approximately 12 Exhibits

OPPOSITION

WITNESSES	EST. TIME	EXHIBITS
N/A		

PROCEDURAL MATTERS

None applicable at this time.

KELLAHIN, KELLAHIN & AUBREY

By: 

W. Thomas Kellahin

P.O. Box 2265

Santa Fe, New Mexico 87504

(505) 982-4285

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