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Stogner, Michael

From: Thomas Kellahin [kellahin@earthlink.net]
Sent: Monday, July 12, 2004 11:42 AM
To: Michael E. Stogner
Subject: Citation Adminstrative Application

Re: Citation Oil & Gas Corp.
Admin Application for
Additional Eumont Gas Wells
for E/2 Section 20, T21S, R36E

Dear Mike:

On May 24, 2004, Citation filed the referenced application and on July 8,2004, called and asked me to review this with you in order to obtained OCD approval.

My preliminary review indicates that this application seeks:

- (1) 2 more Eumont gas wells in the E/2 of Section 20 for a total of one gas well in each of the 40-acre tracts in this unit.
- (2) The existing gas wells are as follows:
 - Unit A=#3
 - Unit B=#2
 - Unit G= #5 (the 1-Y is the #5)(NSL-3646(SD)
 - Unit J= #7 (the 1-D is the #7)
 - Unit I= #8 (the 2-A is the #8)
 - Unit P= #6 (the 1-A is the #6)
- (3) A new well is to be drilled in Unit O is the #9
- (4) The oil well in Unit H is the #4 and now is in the Eunice Monument Grayburg San Andres and is to be recompleted to the Eumont as a gas well.

My tentative conclusion:

- (A) It appears to me that Citation needs to amended NSP-488 to add 2 more gas wells for a total of 8 gas wells;
- (B) It appears to me that I need to have Citation prepare and submit the Rule 4(B)(1) data to you.

If possible I would like to come to you office today or tomorrow and review this with you and obtain you list of what Citation needs to submit.

Regards, Tom

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