

Release January 2, 1985

By Dec.

NSL-1960  
RUE-104F(I)



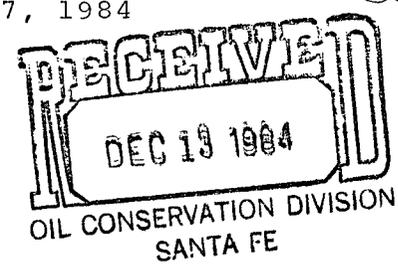
Getty Oil Company

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division

December 7, 1984

New Mexico Oil Conservation Division  
State Land Office Building  
P.O. Box 2088  
Santa Fe, New Mexico 87501



*Dedicated Acreage -  
As of Section 32.*

Attention: David Catanach

Gentlemen:

In accordance with rule 104-F of the State of New Mexico Rules and Regulations, Getty Oil Company seeks administrative approval for an unorthodox location for the following proposed drilling well:

Getty IB 32 State No. 1-Y: <sup>20</sup>1240' FSL & 660' FWL, 32-21S, ~~24E~~ Eddy County, New Mexico.

*NOTE: (Actual location is 1220 FSL 660 FWL)*

*24E*

Offset operators have been notified by certified mail as per the attached letter.

The necessity for such unorthodox location is based upon topographical conditions. Attached is a topographic map of the area. The proposed location will be situated immediately below the crest of a limestone ridge system lying south east of Indian Basin.

The location will be utilized to test the Pennsylvanian formation underlying the proposed location. Therefore Getty Oil Company seeks an exception to the well location requirements of Special Pool Rules for the Indian Basin Morrow Gas Pool (order R-2441) and Special Pool Rules for the Indian Basin - Upper Pennsylvanian Gas Pool (order R-2440) to permit the drilling of the Getty IB 32 State No. 1-Y at the above - mentioned unorthodox location.

Due to the nature of this project, any cooperation to expedite this request is appreciated.

Yours very truly,  
*Robert J. Paradise for*  
Dale R. Crockett  
Area Superintendent

*PJB*  
PJB/el

- Enc: Topographic map
- Lease map
- Lease plat (C-102)
- List of offset operators
- Letters to offset operators





Getty IB 32 State No. 1-Y  
Offset Operators

✓ Marathon  
Box 2409  
Hobbs, NM 88240

✓ Amoco  
P.O. Box 68  
Hobbs, NM 88240

✓ Kerr-McGee  
Box 1347  
Odessa, TX 79760

✓ Flag-Redfern Oil Co.  
P.O. Box 2280  
Midland, TX 79702

✓ Phillips  
4001 Penbrook  
Odessa, TX 79762

✓ ARCO  
P.O. Box 1710  
Hobbs, NM 88240

P.O. Box 730, Hobbs, NM 88240

Certified Mail

December 7, 1984

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

Yours truly,

Dale R. Crockett  
Area Superintendent

PJB/el

File

Enc:

Approved: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

IB 32 State

1-4

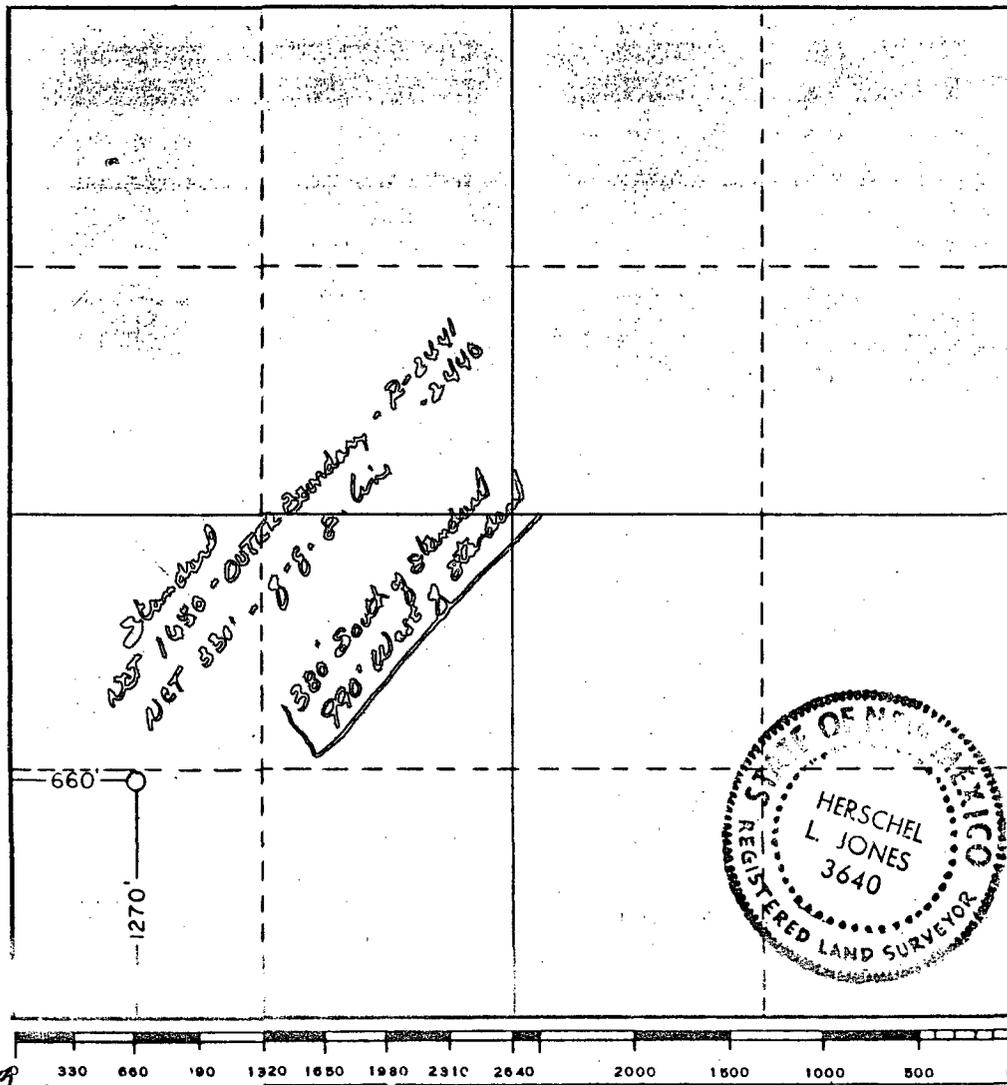
Unit Letter "M"	Section 32	Township 21 South	Range 24 East	County Eddy
Actual Footage Location of Well:				
1270	feet from the South	line and	660	feet from the West line
Ground Level Elev. 4295.0	Producing Formation Morrow	Pool Indian Basin Upper Penn.	Dedicated Acreage: 640 Acres	

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes  No If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



CERTIFICATION

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

*Robert J. Parslow for*  
Name

Dale R. Crockett

Position

Area Superintendent

Company

Getty Oil Company

Date

December 11, 1984

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 knowledge and belief.

Date Surveyed

12-5-84

Registered Professional Engineer and/or Land Surveyor

Certificate No.

3640



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

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

January 26, 1990

Citation Oil and Gas Corporation  
Kellahin, Kellahin & Aubrey  
P.O. Box 2265  
Santa Fe, NM 87504-2265

Attention: Karen Aubrey

*RE: Application for amendment to Administrative  
Order NSL-1960, IB "32" State Well No. 2,  
1320' FSL - 685' FWL, 32-21S-24E, Eddy  
County, New Mexico.*

Dear Ms. Aubrey:

To date we have not received any further communications regarding my letter dated July 31, 1989 (see attached) on the subject filing. I am therefore returning your application along with all correspondence regarding same.

If Citation wishes to pursue this matter further, please resubmit a complete filing requesting an alternate location.

Should you have any questions concerning this matter, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

MES/ag

cc: Oil Conservation Division - Artesia  
Delta Drilling Company  
Kerr-McGee Corporation  
Carol Favro - Citation Oil and Gas Corp.  
File: NSL - 1960



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION

GARREY CARRUTHERS  
GOVERNOR

POST OFFICE BOX 2088  
STATE LAND OFFICE BUILDING  
SANTA FE, NEW MEXICO 87504  
(505) 827-5800

July 31, 1989

Citation Oil and Gas Corporation  
16800 Greenspoint Park Drive  
Suite 3005  
Houston, TX 77060-2304

Attention: Sharon Evans

RE: Amendment to Administrative  
Order NSL-1960, IB "32"  
State Well No. 2, 1320'  
FSL - 685' FWL, 32-21S-  
24E, Eddy County, New  
Mexico.

Dear Ms. Evans:

Per our telephone conversation on Friday, July 28, 1989, the proposed location sets on a quarter-quarter section line between the NW/4 SW/4 and the SW/4 SW/4 of said Section 32. Therefore, the proposed location will have to be moved off this line before an amendment to NSL-1960 can be considered.

Also, at this time, the OCD has received objections from Kerr-McGee Corporation (see copy of attached letter) and Delta Drilling Company (by way of a telephone conversation with Fred Wiegand) to this application.

When an alternate location is decided upon, please refile this application for a hearing before a Division Examiner.

If you should have any questions concerning this matter, please contact me.

Sincerely,

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Artesia  
Karen Aubrey - Kellahin, Kellahin & Aubrey  
Delta Drilling Company  
Kerr-McGee Corporation

KELLAHIN, KELLAHIN and AUBREY  
Attorneys at Law

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265  
July 18, 1989

RECEIVED

JUL 18 1989

OIL CONSERVATION DIVISION

William J. LeMay  
Director  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Re: Application for Administrative Approval  
Amendment of Administrative Order NSL-1960

Dear Mr. LeMay:

Administrative Order No. NSL-1960 approved a non-standard well location for the Getty IB 32 State Well No. 1-Y. This well was completed in the Morrow formation pursuant to Amendment No. 2 of Administrative Order No. NSL-1960. When Citation Oil and Gas Corp. attempted to complete in the Indian Basin Upper Penn Pool, they encountered cement problems, and have concluded that they are unable to complete the well in the Indian Basin Upper Penn.

By this letter Citation Oil and Gas Corp. requests administrative approval for the drilling of a replacement well to be completed in the Indian Basin Upper Penn Pool, and to be drilled on the same well pad as the Getty IB 32 State Well No. 1-Y. This location will be non-standard, and is requested due to the difficult topography in the area.

We enclose:

1. List of Offset Operators;
2. Waiver letters from two offset operators, Steve Sell and Michael Donahoe;
3. Geological Summary giving geological and topographical reasons for the non-standard location;
4. Map of the area with all offset wells spotted;
5. Form C-102;
6. Form C-101;
7. Completion schematic.

*Sharon Ward*

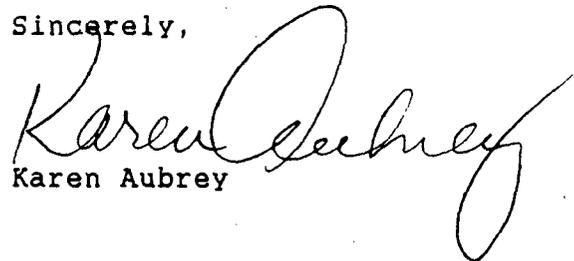
KELLAHIN, KELLAHIN and AUBREY

Mr. William J. LeMay  
Oil Conservation Division  
July 18, 1989  
Page 2

By copy of this letter, sent certified mail, we are notifying all offset operators of Citation's request for administrative approval. We ask that you grant this request if no objection is received from the offset operators within twenty days from the date of this letter.

We also enclose two additional copies of this letter and attachments.

Sincerely,



Karen Aubrey

KA/rs  
Encl.

*Carol*

cc: ~~Carole~~ Favro - Citation Oil and Gas Corp. (w/o encl.)

"Certified Mail, Return-Receipt Requested":

All parties listed on List of Offset Operators attached.

LIST OF OFFSET OPERATORS

Delta Drilling 6800 Imperial Valley Drive Suite 320 Houston, Texas 77060	E/2 SE/4 Section 31-21S- 24E from surface to base of Pennsylvanian formation NW/4 SE/4 Section 31-21S-24E.
J. Michael Donahoe 1720 First Interstate Tower 3550 North Central Avenue Phoenix, Arizona 85012	N/2 Section 5-22S-24E
Hondo Oil and Gas Company 310 West Texas, Suite 822 Midland, Texas 79701	N/2 Section 6-22S-24E
Kerr McGee/Flag Redfern 203 West Wall Suite 1200 Midland, Texas 79701	W/2 NE/4 Section 31-21S-24E E/2 NE/4 Section 31-21S-24E SW/4 SE/4 Section 31-21S-24E E/2 Section 30-21S-24E
Marathon Oil Company P. O. Box 3128 Houston, Texas 77056	S/2 Section 29-21S-24E
Phillips Petroleum Company P. O. Box 939 Bartlesville, Oklahoma 74004	E/2 SE/4 Section 31-21S-24E from base of Pennsylvanian down.
Steve Sell 300 West Texas Suite 525 Midland, Texas 79701	N/2 Section 5-22S-24E

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

RWU

operator  
Sec 5 22S 24E

March 23, 1989

Citation Oil & Gas Company  
16800 Greenspoint Parkway Drive  
South Atrium, Suite 300  
Houston, Texas 77060

Re: Non Standard Location  
Section 32, T21S, R29E  
Eddy County, New Mexico

Attn: Bob Unger

Gentlemen:

Steve Sell as an offset operator has no objection to the unorthodox location in Section 32-21S-24E, Eddy County, New Mexico, for which Citation plans to petition the Oil Conservation Commission of New Mexico, provided such unorthodox location is no less than 1270' from the south line of said Section 32.

Should you have any questions or comments, please contact me.

Sincerely yours,



Steve Sell

SS:gm

J. MICHAEL DONAHOE

1720 FIRST INTERSTATE TOWER  
3350 NORTH CENTRAL AVENUE  
PHOENIX, ARIZONA 85012  
TELEPHONE: (602) 266-0286  
TELECOPY: (602) 265-1851

April 13, 1989

*leaseholder of record*  
*Sec. 5 22S 24E*

Citation Oil & Gas  
Company  
16800 Greenspoint Parkway  
Drive  
South Atrium, Suite 300  
Houston, TX 77060

Re: Non Standard Location  
Section 32, T21S, R29E  
Eddy County, New Mexico

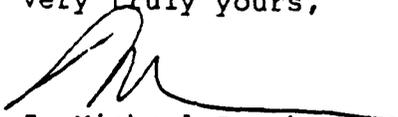
ATTN: Bob Unger.

Gentlemen:

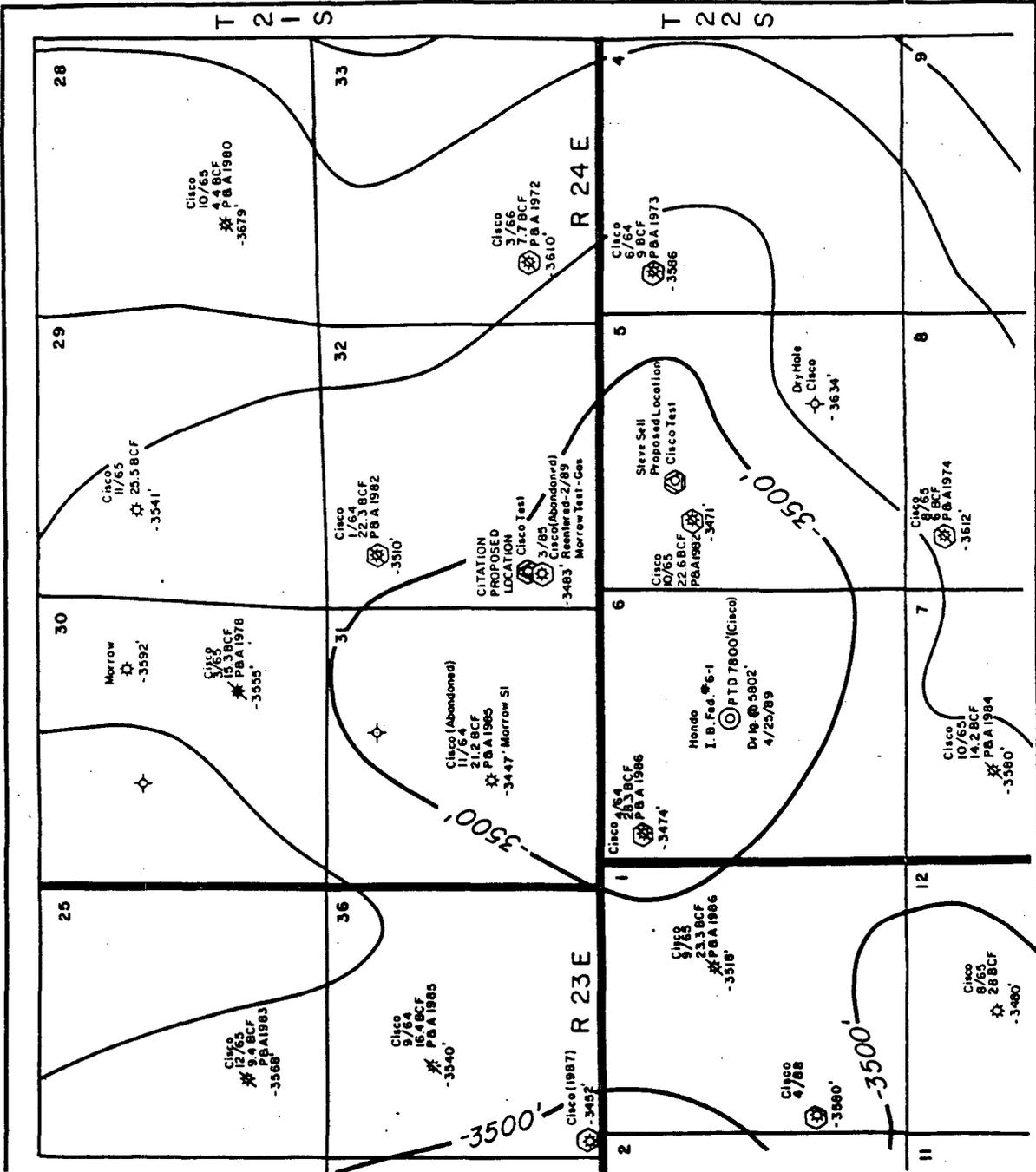
Mike Donahoe, as an offset operator, has no objection to the unorthodox location in Section 32-21S-24E, Eddy County, New Mexico, for which Citation plans to petition the Oil Conservation Commission of New Mexico, provided such unorthodox location is no less than 1270' from the south line of said Section 32.

Should you have any questions or comments, please contact me.

Very truly yours,

  
J. Michael Donahoe

JMD/sc



**Citation**  
 TOP CISCO STRUCTURE  
 Eddy County, New Mexico



- △ Proposed Location
- Infield Cisco Well
- ◻ Unorthodox Location

## GEOLOGICAL SUMMARY

An attempt will be made to make a new infield Cisco completion similar to those already existing in section 36 (T21S-R23E) and section 1 (T22S-R23E), and those being attempted in sections 5 & 6 (T22S-R24E).

It is critical in the Upper Penn Cisco to be as structurally high above the -3500 contour as possible due to a natural water flood front currently at approximately -3560 and rising. Texaco Getty was granted an unorthodox location to attempt such a completion in the IB 32 State 1-Y in March of 1985 but failed, having drilled too deep, encountering the natural water-flood and unable to shut it off. The well made approximately 350 BWPD and uncommercial amounts of gas from the Cisco perfs at 7802-7822. Citation reentered the well, cased off the Cisco and is attempting a Morrow gas completion. We hope to be able to drill a Cisco replacement well and make another attempt at a commercial completion. Due to the harsh topography in the area we would like to drill on the existing pad.

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

DISTRICT I  
 P.O. Box 1900, Hobbs, NM 88240

DISTRICT II  
 P.O. Denver DD, Artesia, NM 88210

DISTRICT III  
 1000 El Estero Rd., Aztec, NM 87410

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

All Distances must be from the outer boundaries of the section

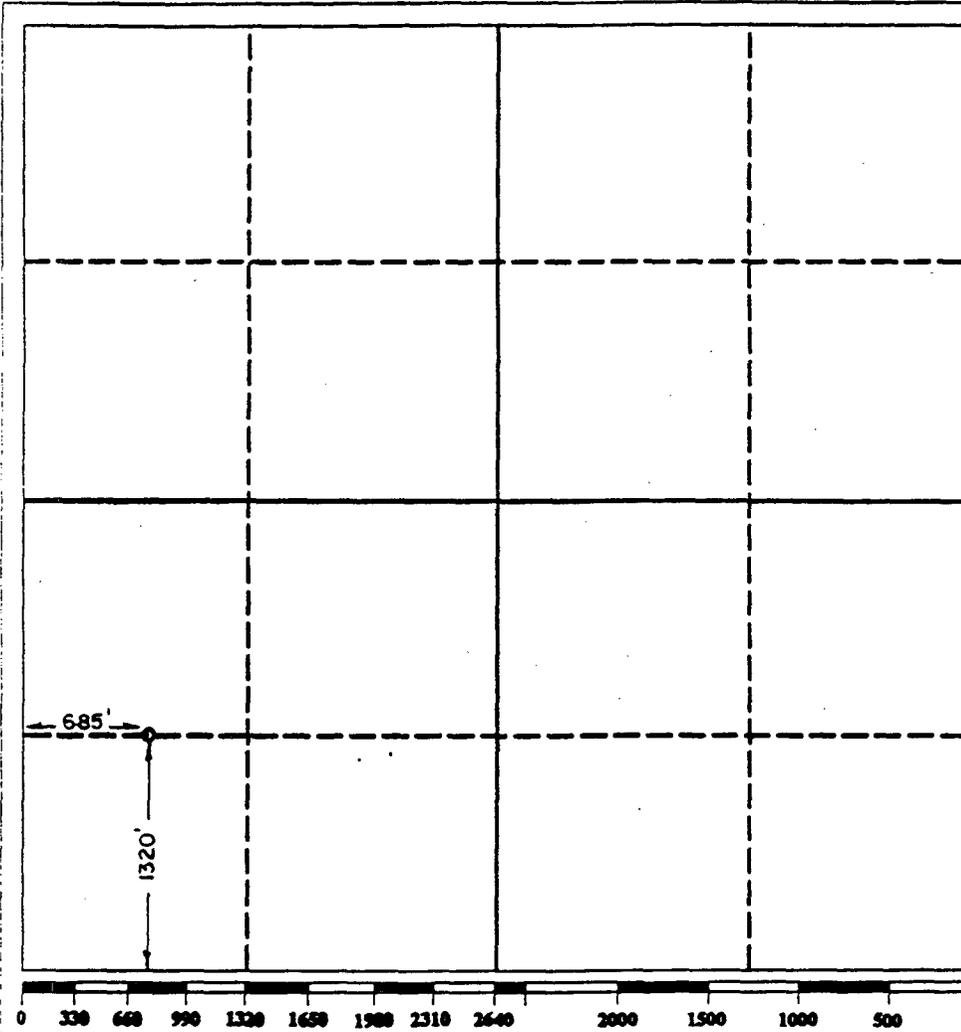
Operator <b>CITATION OIL &amp; GAS CORPORATION</b>			Lease <b>IB 32 State</b>		Well No. <b>2</b>
Unit Letter <b>L</b>	Section <b>32</b>	Township <b>21 South</b>	Range <b>24 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>685</b> feet from the <b>West</b> line and <b>1320</b> feet from the <b>South</b> line					
Ground level Elev. <b>4295.0</b>	Producing Formation			Foot	Dedicated Acreage: <b>Acres</b>

- Outline the acreage dedicated to the subject well by colored pencil or hand us marks on the plat below.
- If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
- If more than one lease of different ownership is dedicated to the well, have the interest of all owners been consolidated by communitization, unitization, force-pooling, etc.?
 

Yes     No    If answer is "yes" type of consolidation \_\_\_\_\_

If answer is "no" list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interest, has been approved by the Division.



**OPERATOR CERTIFICATION**

I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.

Signature \_\_\_\_\_

Printed Name \_\_\_\_\_

Position \_\_\_\_\_

Company \_\_\_\_\_

Date \_\_\_\_\_

**SURVEYOR CERTIFICATION**

I hereby certify that the well location shown on this plat was plotted from field notes, actual surveys made by me or under supervision, and that the same is true correct to the best of my knowledge and belief.

Date Surveyed **4/19/89**

Signature & Seal of Professional Surveyor

**STATE OF NEW MEXICO**  
 HERRERA  
 Certificate No. **3640**  
 1984  
 DISTRICT OF LAND SURVEYOR

Submit to Appropriate  
District Office  
State Lease - 6 copies  
Fee Lease - 5 copies

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-101  
Revised 1-1-89

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

API NO. (assigned by OCD on New Wells)	
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>	
6. State Oil & Gas Lease No. V-991-2 & V-993-1	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK					
1a. Type of Work: DRILL <input checked="" type="checkbox"/> RE-ENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			7. Lease Name or Unit Agreement Name IB 32 State		
b. Type of Well: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>			8. Well No. 2		
2. Name of Operator Citation Oil & Gas Corp.			9. Pool name or Wildcat Indian Basin		
3. Address of Operator 16800 Greenspoint Pk Dr, Suite 300S, Houston, TX			77060-2304		
4. Well Location Unit Letter _____ : 1320 Feet From The South Line and 685 Feet From The West Line Section 32 Township 21S Range 24E NMPM Eddy County					
10. Proposed Depth 8,000'		11. Formation Cisco		12. Rotary or C.T. Rotary	
13. Elevations (Show whether DF, RT, GR, etc.) 4295 GL		14. Kind & Status Plug. Bond Blanket		15. Drilling Contractor Undetermined	
16. Approx. Date Work will start June 15, 1989					
17. PROPOSED CASING AND CEMENT PROGRAM					
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	SACKS OF CEMENT	EST. TOP
17 1/2"	13-3/8"	48#	500'	300	Surface
12 1/4"	8-5/8"	24#	2,400'	860	Surface
8-3/4"	5-1/2"	17#	8,000'	450	6,000'

Citation proposes to drill this well and set casing strings as proposed above. Well will be logged and evaluated at that time.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: IF PROPOSAL IS TO DEEPEN OR PLUG BACK, GIVE DATA ON PRESENT PRODUCTIVE ZONE AND PROPOSED NEW PRODUCTIVE ZONE. GIVE BLOWOUT PREVENTER PROGRAM, IF ANY.

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

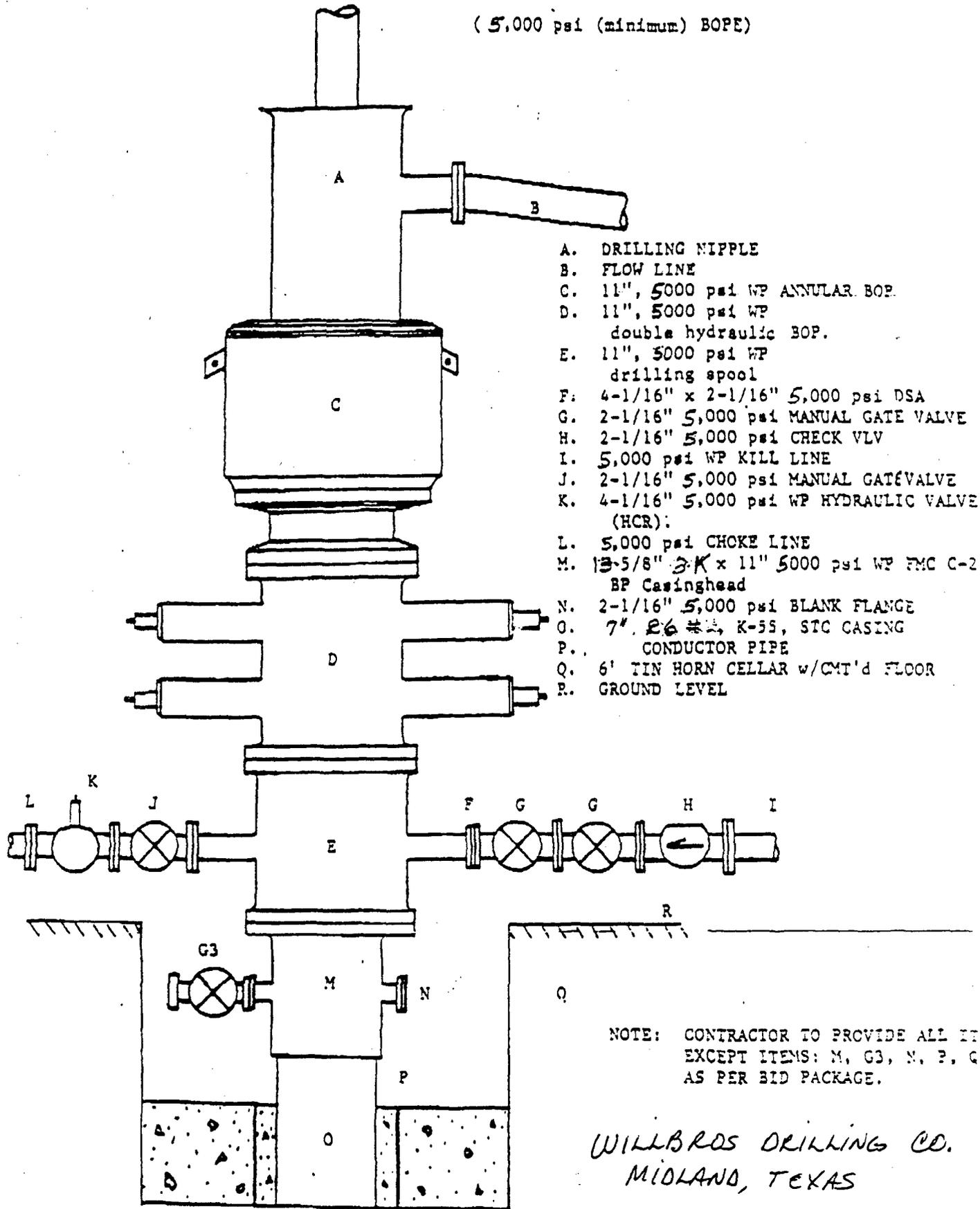
SIGNATURE Carole Favro TITLE Production Administrative Manager DATE May 17, 1989  
TYPE OR PRINT NAME Carole Favro TELEPHONE NO. (713)874-9877

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

(5,000 psi (minimum) BOPE)



- A. DRILLING NIPPLE
- B. FLOW LINE
- C. 11", 5000 psi WP ANNULAR BOP.
- D. 11", 5000 psi WP double hydraulic BOP.
- E. 11", 5000 psi WP drilling spool
- F. 4-1/16" x 2-1/16" 5,000 psi DSA
- G. 2-1/16" 5,000 psi MANUAL GATE VALVE
- H. 2-1/16" 5,000 psi CHECK VLV
- I. 5,000 psi WP KILL LINE
- J. 2-1/16" 5,000 psi MANUAL GATE VALVE
- K. 4-1/16" 5,000 psi WP HYDRAULIC VALVE (HCR):
- L. 5,000 psi CHOKE LINE
- M. 13-5/8" 3-K x 11" 5000 psi WP FMC C-2 BP Casinghead
- N. 2-1/16" 5,000 psi BLANK FLANGE
- O. 7" 26 #2, K-55, STC CASING
- P. CONDUCTOR PIPE
- Q. 6' TIN HORN CELLAR w/CMT'd FLOOR
- R. GROUND LEVEL

NOTE: CONTRACTOR TO PROVIDE ALL IT EXCEPT ITEMS: M, G3, N, P, Q AS PER BID PACKAGE.

WILLBROS DRILLING CO.  
MIDLAND, TEXAS



**KERR-MCGEE CORPORATION**

KERR-MCGEE CENTER • OKLAHOMA CITY, OKLAHOMA 73125

EXPLORATION AND PRODUCTION DIVISION

July 24, 1989

William J. LeMay  
Director, Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

**RECEIVED**

JUL 26 1989

OIL CONSERVATION DIV.  
SANTA FE

APPLICATION FOR ADMINISTRATIVE APPROVAL  
AMENDMENT OF ADMINISTRATIVE ORDER NSL-1960  
SECTION 32, 21S, 24E  
INDIAN BASIN FIELD  
EDDY COUNTY, NEW MEXICO

Kerr-McGee Corporation hereby gives notice of its objection to the application of Citation Oil and Gas Corp. for a non-standard location for Citation's IB 32 State No. 2 proposed well. Kerr-McGee operates the Winston-Federal Com No. 1 well in Section 31, 21S, 24E and it believes that the unit for said well could be drained by Citation's proposed well.

If you have any questions concerning this matter, please call the undersigned or Mr. John J. O'Brien, Jr. at 915-688-7040 in Midland, Texas.

Ivan D. Geddie  
T-25C McGee Tower  
P. O. Box 25861  
Oklahoma City, OK 73125  
Tel: (405) 270-2124

IDG:rb

cc: Karen Aubrey  
Kellahin, Kellahin & Aubrey  
P. O. Box 2265  
Santa Fe, NM 87504-2265

**STATE**ENERGY

State Energy & Investment, Inc.

P.O. Box 691591  
Houston, Texas 77269-1591  
713/893-1100  
FAX 893-7629

July 28, 1989

**CERTIFIED MAIL  
RETURN RECEIPT #P 057 965 250**

William J. LeMay, Director  
New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87501

**RECEIVED**

AUG 7 1989  
OIL CONSERVATION DIV.  
SANTA FE

**RE: Objection to  
Citation O & G Corp's  
Request for Non-Standard  
Well Location**

Dear Mr. LeMay:

Concerning our objection to a non-standard well location proposed by Citation O & G Corp; Delta owns the operating mineral rights in

E/Z SE/4 Section 31-T21S-R24E  
and  
NW/4 SE/4 Section 31-T21S-R24E  
in Eddy County, New Mexico

State Energy & Investment, Inc Co., 6843 West FM 1960, Houston, Texas 77269, is the successor in title to Delta, of the above- mentioned property. Admissions in various documents show a gelologic structural high on our leases.

Since Citation has not come to terms in our negotiations for leasing and/or pooling on these above- mentioned properties, and Citation wishes to drill 660 ft from our lease boundary on a 160 acre spacing;

**THEREFORE**, State Energy & Investment Co. exercises its right to file this objection by an offset operator to Citation's request for an exception to your rules, and files its objection in a timely manner, i.e. within 20 days of receipt of notice of Citation's application.

The withdrawal of our objection is contingent upon a satisfactory agreement with Citation in the future.

Respectfully yours,  
*Fred Wiegand*  
Fred Wiegand  
PE #35635

cc: Bob A Whitworth, Manager of Land Acquisition  
Citation Petroleum Inc.  
16800 Imperial Valley Drive, Suite 320  
Houston, Texas 77060

Exploration and Production Group

KELLAHIN, KELLAHIN and AUBREY  
*Attorneys at Law*

W. Thomas Kellahin  
Karen Aubrey

El Patio - 117 North Guadalupe  
Post Office Box 2265

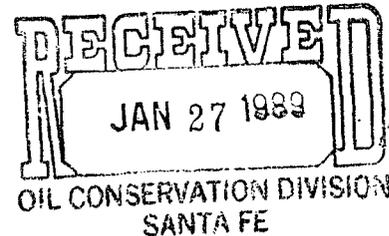
Telephone 982-4285  
Area Code 505

Jason Kellahin  
Of Counsel

Santa Fé, New Mexico 87504-2265

January 26, 1989

HAND-DELIVERED



Mr. David Catanach  
Oil Conservation Division  
State Land Office  
Old Santa Fe Trail  
Santa Fe, New Mexico 87501

Re: Administrative Approval of Non-standard  
Location, Section 32, T21S, R24E, Eddy  
County, New Mexico

Dear Mr. Catanach:

Pursuant to our telephone conversation today, Citation Oil & Gas Corp. seeks administrative approval of a non-standard well location, 1,270' from the south line and 660' from the west line of Section 32, T21S, R24E, Eddy County, New Mexico. (Copy of C-102 attached). This well is to be drilled to the Morrow formation.

A well location 1,270' from the south line and 660' from the west line was previously administratively approved by the OCD for Texaco, Inc. in the Indian Basin Upper Penn Pool. I believe that approval is your file no. NSL 1960. It is my understanding that Texaco originally sought approval of a non-standard location for a well in the Indian Basin Upper Penn and Indian Basin Morrow Pools and, while OCD approval was granted as to the Indian Basin Upper Penn Pool, the Morrow was inadvertently left out. Notice to offset operators was sent out at the time the original application was made.

Citation has filed Forms C-101, 102 and 104 with the district office in Artesia. The leases covering this acreage are due to expire on March 1, 1989. Citation wishes to spud the well next week, if possible. Therefore, they would certainly appreciate an expeditious approval of their non-standard location.

Mr. David Catanach  
January 26, 1989  
Page Two

If you need anything further, please contact our office. We appreciate your assistance in this matter.

Sincerely,

*Marsha L. Butler*

Marsha L. Butler  
Legal Assistant

Enclosure

cc: Mark Hoffman  
Petro-Quest Exploration

Carole Favro  
Citation Oil & Gas Corp.

**NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT**

Form C-102  
Supersedes C-128  
Effective 1-1-65

All distances must be from the outer boundaries of the Section.

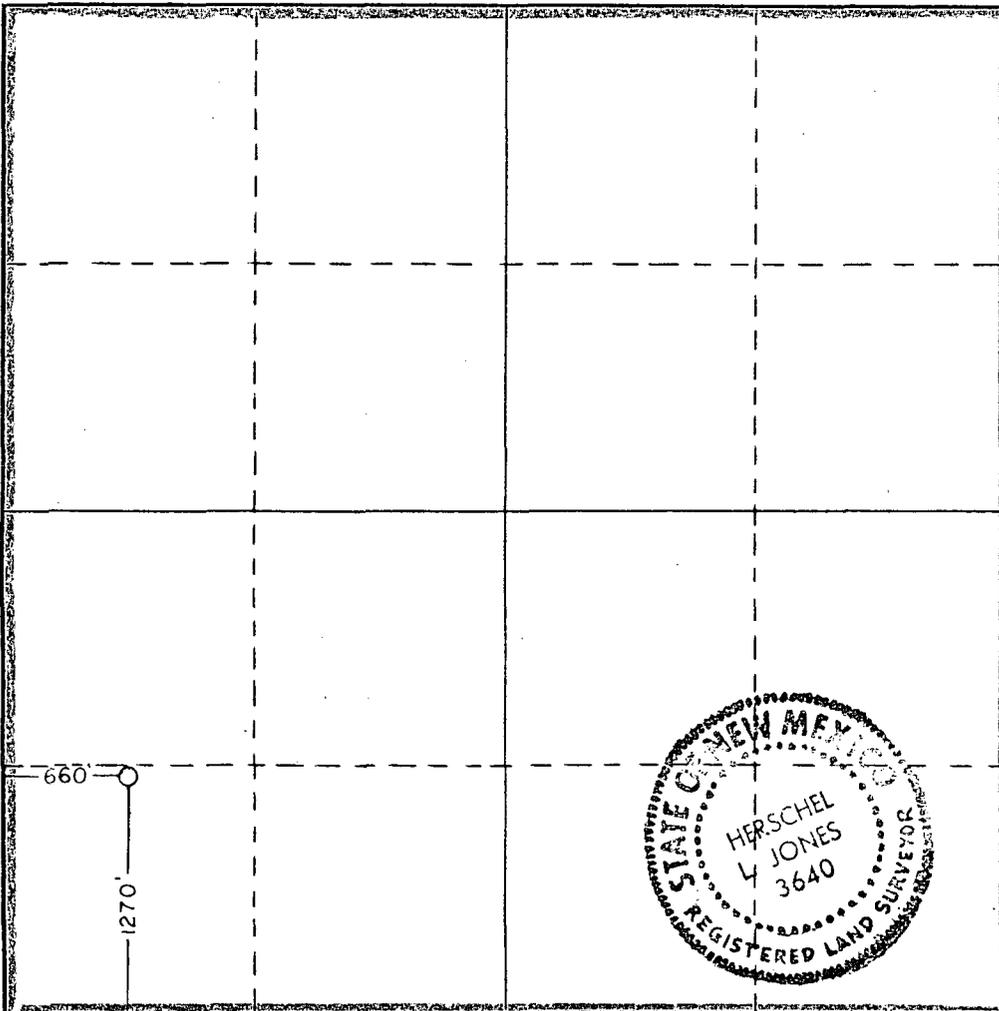
Operator <b>Citation Oil &amp; Gas</b>		Lease <b>IB 32 State</b>			Well No. <b>1-Y</b>
Unit Letter <b>"M"</b>	Section <b>32</b>	Township <b>21 South</b>	Range <b>24 East</b>	County <b>Eddy</b>	
Actual Footage Location of Well: <b>1270</b> feet from the <b>South</b> line and <b>660</b> feet from the <b>West</b> line					
Ground Level Elev. <b>4295.0</b>	Producing Formation <b>Morrow</b>	Pool <b>Indian Basin</b>			Dedicated Acreage: <b>640</b> Acres

1. Outline the acreage dedicated to the subject well by colored pencil or hachure marks on the plat below.
2. If more than one lease is dedicated to the well, outline each and identify the ownership thereof (both as to working interest and royalty).
3. If more than one lease of different ownership is dedicated to the well, have the interests of all owners been consolidated by communitization, unitization, force-pooling, etc?

Yes     No    If answer is "yes," type of consolidation \_\_\_\_\_

If answer is "no," list the owners and tract descriptions which have actually been consolidated. (Use reverse side of this form if necessary.) \_\_\_\_\_

No allowable will be assigned to the well until all interests have been consolidated (by communitization, unitization, forced-pooling, or otherwise) or until a non-standard unit, eliminating such interests, has been approved by the Commission.



**CERTIFICATION**

*I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.*

*[Signature]*  
Name

**Mark W. Hoffmann**

Position

**Petroleum Engineer**

Company

**Petro-Quest Exploration**

Date

**1-24-89**

*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 knowledge and belief.*

Date Surveyed

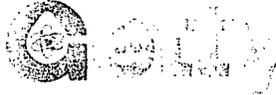
**12-5-84**

Registered Professional Engineer and/or Land Surveyor

*[Signature]*

Certificate No.

**3640**



Getty Oil Company

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division  
Certified Mail

December 7, 1984

Marathon  
Box 2409  
Hobbs, NM 88240

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

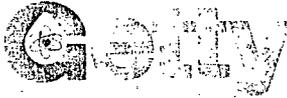
Yours truly,

Dale R. Crockett  
Area Superintendent

PPB  
PJB/el

File  
Enc:

Approved: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_



Getty Oil Company

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division

Certified Mail

December 7, 1984

Amoco  
P.O. Box 68  
Hobbs, NM 88240

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

Yours truly,

Dale R. Crockett  
Area Superintendent

PJB/el

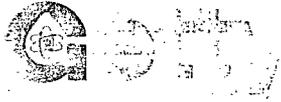
File

Enc:

Approved: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_



Getty Oil Company

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division

Certified Mail

December 7, 1984

Kerr-McGee  
Box 1347  
Odessa, TX 79760

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

Yours truly,

Dale R. Crockett  
Area Superintendent

PJB/el

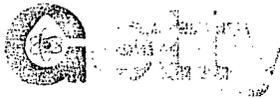
File

Enc:

Approved: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_



Getty Oil Company

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division

Certified Mail

December 7, 1984

Flag-Redfern Oil Co.  
P.O. Box 2280  
Midland, TX 79702

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

Yours truly,

Dale R. Crockett  
Area Superintendent

PJB/el

File  
Enc:

Approved: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_



Getty Oil Company |

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division  
Certified Mail

December 7, 1984

Phillips  
4001 Penbrook  
Odessa, TX 79762

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

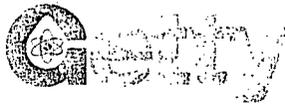
Yours truly,

Dale R. Crockett  
Area Superintendent

PJB/el

File  
Enc:

Approved: \_\_\_\_\_  
Company: \_\_\_\_\_  
Date: \_\_\_\_\_



Getty Oil Company

P.O. Box 730, Hobbs, NM 88240

Central Exploration and Production Division  
Certified Mail

December 7, 1984

ARCO  
P.O. Box 1710  
Hobbs, NM 88240

Gentlemen:

Proposed Unorthodox location for the Getty IB 32 State No. 1-Y

In order to satisfy certain rules relating to unorthodox locations, we are required to furnish each offset operator, by Certified Mail, a copy of our request to the NMOCD for Administrative approval for any unorthodox drilling locations.

If you have no objection to the proposed unorthodox location, please signify your approval by signing the Ballot below and return it to us at your earliest convenience. If no objection is entered within 20 days, the NMOCD Division Director may act upon this proposal.

Yours truly,

Dale R. Crockett  
Area Superintendent

PJB/el

File  
Enc:

Approved: \_\_\_\_\_

Company: \_\_\_\_\_

Date: \_\_\_\_\_