9-28-05 10-18.03 ENGINEER SOGNON LOOGED N 9-29-05 THE NSP PESCIN052723/560
ABOVE THIS LINE FOR DAYSON USE DNLY
NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau - 1220 South St. Francis Drive, Santa Fe, NM 87505
ADMINISTRATIVE APPLICATION CHECKLIST
THIS CHECKLIST IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE
Application Acronyms: [NSL-Non-Standard Location] [NSL-Non-Standard Location] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PC-Poel Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification]
[1] TYPE OF APPLICATION - Check Those Which Apply for [A]
[A] Location - Spacing Unit - Simultaneous Dedication
Check One Only for [B] or [C]'
[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery
[D] Other: Specify Well PONJING For EUMONT
[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or Does Not Apply [A] [] Working, Royalty or Overriding Royalty Interest Owners
[B] Offset Operators, Leaseholders or Surface Owner
[C] Application is One Which Requires Published Legal Notice
[D] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office
[E] For all of the above, Proof of Notification or Publication is Attached, and/or,
[F] Waivers are Attached
[3] SUBMIT ACCURATE AND COMPLETE INFORMATION REQUIRED TO PROCESS THE TYPE OF APPLICATION INDICATED ABOVE.

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

e completed by an individual with managerial and/or supervisory capacity. Note Stateme 28/04 KELLA HIN & KELLAHIN Print or Type Na Signature Attorneys At Law P.O. Box 2265

Santerfiel Aldes 87504-2265

KELLAHIN & KELLAHIN Attorney at Law

W. Thomas Kellahin

Recognized Specialist in the Area of Natural Resources-oil and gas law-New Mexico Board of Legal Specialization P.O. Box 2265 Santa Fe, New Mexico 87504 117 North Guadalupe Santa Fe, New Mexico 87501

September 28, 2004

Telephone 505-982-4285 Facsimile 505-982-2047 kellahin@earthlink.net

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SEP 28

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HAND DELIVERED

Mr. Michael E. Stogner Administrative Judge Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: NMOCD Administrative Application of Citation Oil & Gas Corp. for a "well density" exception to Order R-8170-P pursuant to Rule 4(B) of the Special Rules and Regulations for Eumont Gas Pool for E/2 of Section 13, T21S, R35E Lea County, New Mexico

Dear Mr. Stogner:

On behalf, Citation Oil & Gas Corp. ("Citation") please find enclosed our administrative application which, if granted, will result in the addition of 1 Eumont gas well, the State "H" Well No. 3, to be recompleted from the Queen to the Yates-Seven Rivers intervals of the Eumont Gas Pool. This Unit is currently approved as a non-standard proration unit "NSP" that contains the State "H" Wells No. 1, 1-Y, 2, 3, 3-Y, 4, 4-Y, 5, 6, 7, and 8.

Very truly vours iomas Kellahin

cc: Citation Oil & Gas Corp. Attn: K. C. (Charlie) Adams

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

ADMINISTRATIVE APPLICATION OF CITATION OIL & GAS CORPORATION FOR A "WELL DENSITY" EXCEPTION TO ORDER R-8170-PURSUANT TO RULE 4(B) OF THE SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE APPLICATION

Citation Oil & gas Corporation ("Citation"), in accordance with the provisions of Rule 4(B) of the Special Rules and Regulations for the Eumont Gas Pool (Order R-8170-P) seeks the approval of the New Mexico Oil Conservation Division to add the State "H" Well No. 3, located 1980 feet FNL and 1260 feet FEL of Section 13, T21S, R35E, as a gas well to this currently approved non-standard proration unit "NSP" consist of the E/2 of this section that contains the State "H" Wells No. 1, I-Y, 2, 3, 3-Y, 4, 4-Y, 5, 6, 7, and 8, as an exception to the "well density" provisions of Rule 3(C) for this pool and in support states:

CURRENT STATUS OF WELLS WITHIN THIS 320-ACRE GPU

The existing wells in the E/2 of Section 13 are operated by Citation and are as follows: (See area locator map attached as Exhibit A, see spacing unit located map attached as Exhibit B and composite C-102 attached as Exhibit C)

(a) Unit P (SE/4SE/4):

1

State "H" Well No. 1

- i. API 30-025-08558
- ii. C-102 attached as Exhibit D and E
- iii. Standard location 660 feet FSL and 660 feet FEL
- iv. Status: producing Eumont oil well (GOR 18,957)
- v. Cumulative production as of 8/1/05:

As Eumont Oil – 231,081 BO &

764,869 MCF

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 2-

(b) Unit P (SE/4SE/4):

State "H" Well No. 1-Y

i. API 30-025-03471

ii. C-102 attached as Exhibit F and G

iii. Standard oil location 330 feet FSL and 990 feet FEL Status: producing Eumont oil well (GOR 15,276) Cumulative production as of 8/1/05: As Eumont Oil – 79,341 BO & 3,518,843 MCF

(c) Unit A (NE/4NE/4):

State "H" Well No. 2

i. API 30-025-03465

ii. C-102 attached as Exhibit H and I

iii. Unorthodox location 660 feet FNL and 1260 feet FEL (60 feet from western boundary of this 40-acre tract) (see OCD letter dated 12/30/1953-attached as Exhibit J)

iv. Order R-222, dated December 4, 1952, DHC, attached as Exhibit K.

v. Status: producing Eumont oil well (GOR 24,553)

vi. Cumulative production as of 8/1/05:

Produced as gas well from 1953 to August 1957 – Cum Gas 672,120 MCF (Yates sqz'd in 1957)

Produced as oil well from 1937 to 1953 and From 1957 to present – Cum production as Of 8/1/2005 – 287,115 BO 4,252,683 MCF

vii. Order: NSL-3947 (SD), dated February 13, 1998 attached as Exhibit L.

Approved unorthodox gas well location for State "H" Well No. 3-Y and simultaneous dedication with H-2, H-3-Y and H-4

NSL- 3947

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 3-

(d) Unit H (SE/4NE/4):

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State "H" Well No. 3 (subject of this application)

i. API 30-025-08559

ii. C-102 attached as Exhibit M

iii. Unorthodox location 1980 feet FNL and 1260 feet

- FEL (cannot locate reference for approval of this NSL)
- iv. Original Status:
- by letter dated 6-28-1938 a. Completed well in Seven 8/5/1938 Oil **Rivers**/Queen
 - b. Classified as Eumont Oil well until SI July, 1990.
 - c. Cumulative production to 7/31/1990: 203,251 BO & 126.819 MCF
- v. Shut-in pending action on this application
- (e) Unit H (SE/4NE/4)
 - a. State "H" Well No. 3-Y
 - i. API 30-025-30472 03472
 - ii. C-102 attached as Exhibit N and O
 - iii. Standard location 2310 feet FNL and 990 feet FEL
 - iv. Status: Producing Eumont oil well (GOR 26,745)
 - v. Cumulative production as of 8/1/05: 117,428 BO 6,741,370 MCF
 - vi. Approved by Administrative Order NSL-3947, dated February 13, 1998. Attached is Exhibit L
- (f) Unit I (NE/4SE/4)
 - a. State "H" Well No. 4
 - i. API 30-025-02465 03466
 - ii. C-102 attached is Exhibit P
 - iii. Standard location 2310 feet FSL and 990 feet FEL
 - iv. Status: Producing Eumont gas well (GOR 50,174)
 - v. Produced from 1938 to March of 1957 as a Eumont Oil Well. Recompleted to the Yates and produced as a Eumont gas well from 1957 to present.

N5P-38) NSL- 3947

NSL-39417

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 5-

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vi. Cumulative production *as oil well from 1938 to 1957:* **136,522** BO No record of gas volumes.

vii. Cumulative production as a gas well from 1957 to present – 1418 BO 5,425,708 MCF

viii. OCD approval letter dated July 5, 1957 concerning well dedication to the E/2 of this section. Attached as Exhibit Q

ix. OCD letter dated July 25, 1957 cancelled downhole commingling established by Order R-271, attached as **Exhibit R**

x. OCD administrative Order NSP-381 dated August 7, 1957 attached as **Exhibit S**

(g) Unit I (NE/4SE/4)

a. State "H" Well No. 4-Y

i. API 30-025-03473

- ii. C-102 attached as Exhibit T and U
- iii. Standard location 1650 feet FNL and 990 feet FEL
- iv. Status: *Producing* Eumont oil well (*GOR 8723*)
- v. Cumulative production as of 8/1/05: 82,303 BO 4,148,302 MCF
- (h) Unit B (NW/4NE/4)
 - a. State "H" Well No. 5
 - i. API 30-025-03467
 - ii. C-102 attached as Exhibit V
 - iii. Standard location 660 feet FNL and 2310 feet FEL
 - iv. Status: : *Producing* Eumont oil well (GOR 11174)
 - v. Cumulative production as of 8/1/05: 142,934 BO 3,327,131 MCF
- (i) Unit G (SW/4NE/4)
 - a. State "H" Well No. 6
 - i. API 30-025-03468
 - ii. C-102 attached as Exhibit W
 - iii. Standard location 1980 feet FNL and 2310 feet
 - iv. Status: *Producing* Eumont oil well (GOR 4914)

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 6-

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- v. Cumulative production as of 8/1/05: 133,446 BO 2,560,807 MCF
- (j) Unit J (NW/4SE/4)
 - a. State "H" Well No. 7
 - i. API 30-025-03469
 - ii. C-102 attached as Exhibit X
 - iii. Standard location 1980 feet FSL and 1980 feet FEL
 - iv. Status: Shut-in ("TA") Eumont oil well (SI August, 1989)
 - v. Cumulative production as of 8/1/05: 188,404 BO 1,336,581 MCF
- (k) Unit 0 (SW/4SE/4)
 - a. State "H" Well No. 8
 - i. API 30-025-03470
 - ii. C-102 attached as Exhibit Y
 - iii. Standard location 660 feet FSL and 1650 feet FEL
 - iv. Status: *Producing* Eumont oil well (GOR 1130)
 - v. Cumulative production as of 8/1/05: 177,375 BO 1,441,984 MCF

CURRENT REQUEST

By this application, Citation requests approval to add the State "H" Well No. 3, located 1980 feet FNL and 1260 feet FEL of Section 13, T21S, R35E, Lea County, New Mexico, as an exception to the "well density" provisions of Rule 3(C) for this pool resulting in:

Well "H" No. 1	producing
Well "H" No. l-Y	producing
Well "H" No. 2	producing
Well "H" No. 3	subject well shut-in
Well "H" No. 3-Y	producing
Well "H" No. 4	producing
Well "H" No. 4-Y	producing

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 7-

Well "H" No. 5	producing
Well "H" No. 6	producing
Well "H" No. 7	shut-in
Well "H" No. 8	producing

REASONS FOR REQUEST WITH SUPPORTING DATA

In accordance with Rule 4(C)(b)(2), Citation submits Exhibits 4 through 17 and states the following:

(a) Explanation:

- a. The State "H" Well No. 3 will, recover Eumont gas that will not be recovered by the other wells within this GPU (State "H" Wells No. as above).
- b. Citation estimates that 248,672 mcf of additional gas will be recovered from the State "L" Well No. 3. See Exhibit 11.
- c. Citation calculates that will not have adverse affect upon off-setting production for the Eumont since there are no offset gas wells directly adjacent to the State H3.
- (b) Land plat. See Exhibit 2 attached
- (c) Well information for GPU. See above
- (d) Section 1 showing all Eumont wells. See Exhibit B attached
- (e) Engineering and Geological Exhibits
 - i. See Engineering Exhibit 4 through Exhibit 17

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 8-

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NOTICE REQUIREMENTS

Copies of the application and notice letter (See Exhibit 18) were sent certified mail-return receipt requested to the parties listed set forth in Exhibit 19.

Respectfully submitted, omas Kellahin

Cc: Citation Oil & Gas Corp. Attn: Charlie Adams (PE)



Location Map

Citation Leases and State H Lease Located in E/2 Sec. 13 T35E R21S

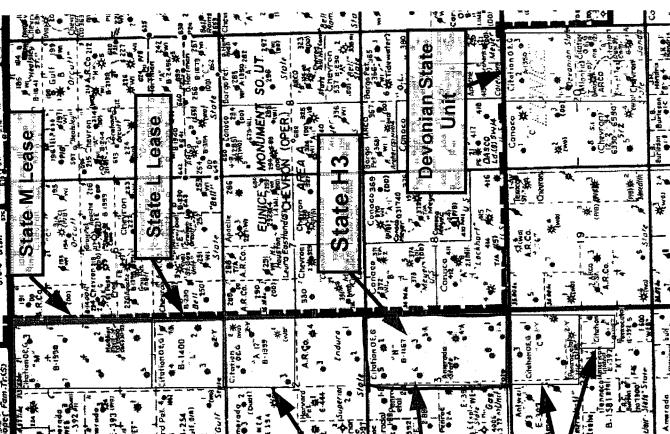
Lea County, New Mexico

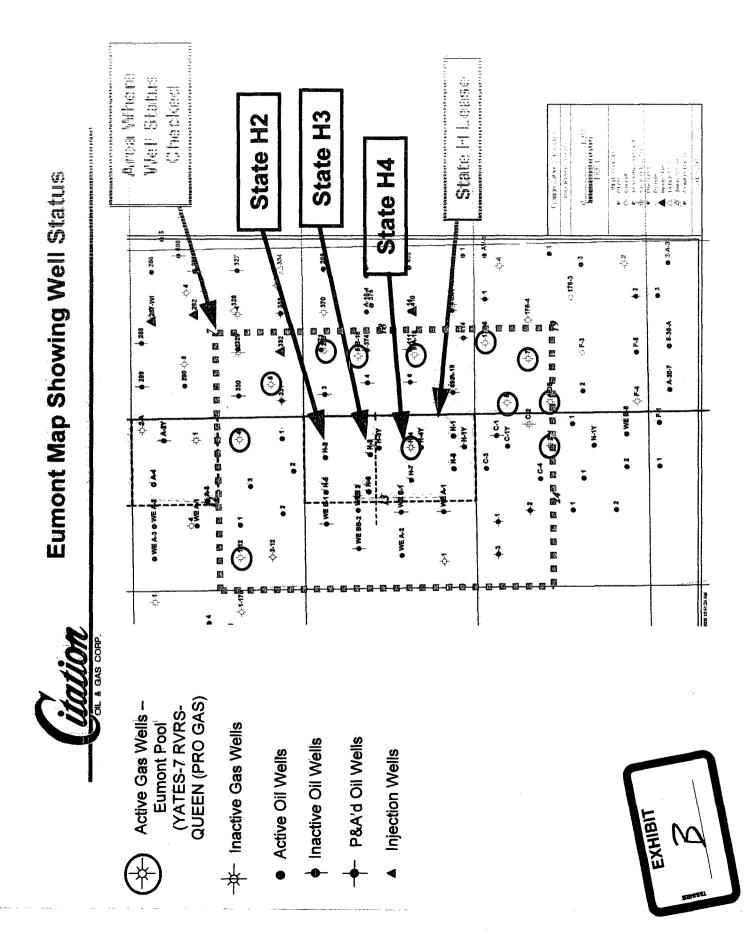
State A Lease

State H Lease and 320 Ac. **GPU in Eumont Gas Pool**

Citation State C & N Leases Former Sold EXHIBIT

In Stars. ease State M The second





District I 1625 N. French Dr., Mobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV	Energy, Minerals & N OIL CONSER 1220 Sout	f New Mexico latural Resources Departr VATION DIVISION th St. Francis Dr. Fe, NM 87505	nent Submit to .	Form C-102 Revised June 10, 2003 Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies
1220 S. St. Francis Dr., Santa Fe, NM 87505				AMENDED REPORT
WI	ELL LOCATION AND	ACREAGE DEDICA	TION PLAT	191 · · · · · · · · · · · · · · · · · ·
'API Number	² Pool Code		' Pool Name	
		Eumont Yates	Seven Rivers Q	ueen
Property Code	⁴ Pr	operty Name		'Well Number

002831 'OGRID No.					State H Operator Na	[°] Elevation			
00453	7			Cita	ition Oil &				
					¹⁰ Surface L	ocation			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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			¹¹ Bo	ttom Hol	le Location If	Different From	Surface		
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres	" Joint o	r Infill ¹⁴ C	onsolidation C	Code ¹⁵ Ord	ler No.				
320					<u>R-222, NS</u>	<u>P-381, NSL-3</u>	947 (SD)		

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

16	5 2310	⁹ 2 <u>1260</u>	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
			Sharon Ward
	1980	2310	Sharon Ward Printed Name Regulatory Administrator Title and E-mail Address sward@cogc.com
	6	3 3 990 3Y	Title and E-mail Address SWard@cogc.com <u>March 23, 05</u> Date
	7	4 990 02 22	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by
	1980	4Y 990	me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey
	8 1980	1650	Signature and Seal of Professional Surveyor:
	9 9 9	1Y 8 990	Certificate Number

District I		State of	* •	Form C-102	
1625 N. French Dr., Hobbs, NM 8	88240	Energy, Minerals & N	· · · ·	Revised June 10, 2003	
District II		00,7	VATION DIVISION		propriate District Office
1301 W. Grand Avenue, Artesia,	NM 88210			•	State Lease - 4 Copies
District III		1220 Sout	h St. Francis Dr.	14 g	Fee Lease - 3 Copies
1000 Rio Brazos Rd., Aztec, NM	8/410	Santa F	e, NM 87505		ree Lease - 5 Copies
District_IV 1220 S. St. Francis Dr., Santa Fe,	NM 87505	Jana 1		AMENDED REPORT	
	WE	LL LOCATION AND	ACREAGE DEDICATI	ON PLAT	
'API Number		² Pool Code		' Pool Name	
30-025- 08558		22800	Eumont Yates Sever	Rivers Queen	
'Property Code		'Pr	operty Name		'Well Number
002831		State H	· · · · ·		. 1
⁷ OGRID No.		'Or	erator Name		'Elevation
004537		Citation Oi	1 & Gas Corp.		3604 DF
		¹⁰ Sur	face Location		

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Feet from the

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Lot Idn

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Range

35E

Range

UL or lot no.

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UL or lot no.

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Section Township

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¹² Dedicated Acres	" Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.		7
40			NSP-381		
		· · · · · · · · · · · · · · · · · · ·	· · · ·		
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¹¹ Bottom Hole Location If Different From Surface

North/South line

North/South line

South

Feet from the

Feet from the

660

East/West line

East/West line

East

County

County

Lea

INED UK A NUN STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16	5 O	2 0	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Sharow Ward Signature
	6 O	3 • • • •	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	⁷ O	4 0 4Y 0	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O		Date of Survey Signature and Seal of Professional Surveyor: EXHIBIT Certificate Number

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		<u>Well</u>	Location an	nd Acreag	e Dedicati	<u>on Plat</u>	HOBBS	OFFICE	000
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wame of Produc	cing Formati	on S	even Rivers		Pool		Amont		
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consolidat	ted by commu	nitizat	ion agreeme	nave the	herwise?	Yes	No .	If ans	wer is
"yes," Typ	be of Consol	idation							
3. If the ans	swer to ques	tion tw	o is "no,"	list all	the owner	s and th	eir resp	ective i	nterest
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Certificate No.

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District II	1.71	10167,
1301 W. Grand Avenue, Artesia, NM 88210		OI
District III		÷ .
1000 Rio Brazos Rd., Aztec, NM 87410		
District IV	•	
1220 S. St. Francis Dr., Santa Fe, NM 87505		

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

Form C-102

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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

NSP-381

16	2	· ·		¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is
		5	2	true and complete to the best of my knowledge and
				belief.
_ · · ·				Signature
				Sharon Ward
		6	3	Regulatory Administrator
		Ō	0	Title and E-mail Address
			34	March 23, 2005
	·		O	Date
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	· · · ·	0		was plotted from field notes of actual surveys made by
		, ,	4¥	me or under my supervision, and that the same is true and correct to the best of my belief.
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1625 N. French Dr., Hobbs, NM 88240 District II	Energy, Mine
1301 W. Grand Avenue, Artesia, NM 88210	OIL CO
District III	12
1000 Rio Brazos Rd., Aztec, NM 87410	12
District IV	
1720 S. St. Francis Dr., Santa Fe: NM 87505	

State of New Mexico nergy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

□ AMENDED REPORT

Form C-102

WELL LOCATION AND	ACREAGE DED	ICATION PLAT

'API Number ² Pool Code							' Pool Nar	ne			
30-025- 0	3465			22800 Eumont Yates Seven Rivers Queen							
Property Co	ode				* Property !	Name		· · · ·	'Well Number		
002831]			Stat	еН				2		
'OGRID N	0.				'Operator l	Name			'Elevation		
004537				Citat	ion Oil &	Gas Corp.	3	622 DF			
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
¹² Dedicated Acres	" Joint or	Infill "C	nsolidation	Code "Ora	ler No.	· · · · · · · · · · · · · · · · · · ·	<u>``</u> t		•		
40					NSP-381	•					

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	5 O	2 1260	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Shorow Ward Signature
	6 O	3 O 3Y O	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	⁷ O	4 0 4Y 0	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O	D D D D	Signature and Seal of Professional Surveyor:

NEW MEXICO

Gas Well Plat

OIL CONSERVATION COMMISSION

		Date 10-27-53
Shell Oil Company	State H	2
Operator	Lease	Well No.
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. Acres Dedicated to th	e Well <u>160</u>	
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I hereby certify that the information given above is true and complete to the best of my knowledge.

Name J. D. Savage Position Division Exploitation Engineer Representing Shell Oil Company Address Box 1957, Hobbs, Hew Mexico

Ruff

New Mexico OIL CONSERVATION COMMISSION



P. O. BOX 871 SANTA FE, NEW MEXICO

December 30, 1953

Mr. L. E. Slagle Shell Oil Company Box 1957 Hobbs, New Mexico

Dear Sir:

GOVERNOR EDWIN L. MECHEM CHAIRMAN LAND COMMISSIONER E.S.WALKER MEMBER STATE GEOLOGIST R.R.SPURRIER SECRETARY AND DIRECTOR

> Subject: Unorthodox Location - Shell Oil Company's State H-2, NE/4 Section 13, Township 21 South, Range 35 East -Eumont Gas Pool

File Evence

Reference is made to your letter of December 10, 1953 pertaining to approval of an unorthodox location for the above captioned well.

This unorthodox location was approved at the time that Dual Completion Order No. R-222 was issued.

Very truly yours, una R. R. SPURRIE

Secretary and Director

RRS:vc

- cc: (1) Well File
 - (1) Unorthodox File
 - (2) OCC, Hobbs
 - (1) Drilling & Exploration Co., Inc., Hobbs
 - (1) Continental Oil Company, Hobbs



BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 433 ORDER NO. R-222

THE APPLICATION OF SHELL OIL COMPANY FOR AN ORDER GRANTING PERMISSION TO DUALLY COMPLETE AND PRODUCE ITS SHELL STATE "H" NO. 2 WELL, LOCATED IN THE NE/4 NE/4, SECTION 13, TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM, LEA COUNTY, NEW MEXICO, IN THE EUNICE-MONUMENT POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on November 20, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this \neq day of December, 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That applicant's Shell State "H", No. 2 Well, NE/4 NE/4, Section 13, Township 21 South, Range 35 East, NMPM, was completed in April, 1937, as an oil well producing from Seven Rivers-Queen formation in the open-hole interval 3800-3925 feet, having drilled through the Yates gas zone at an approximate depth of 3400-3700 feet.

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness, as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:



That the applicant herein, Shell Oil Company, be, and it hereby is authorized to dually complete and produce its Shell State "H", No. 2 Well, NE/4 NE/4, Section 13, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Yates formation may be produced through the annular space between the casing and the tubing, and oil from the Seven Rivers-Queen formation throught the tubing by proper/ perforations and the installation of a proper packer or packers;

Case No. 433 - Order No. R-222 - Page - 2 -

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well hore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and,

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED, FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED. That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION Edwin L. Mechem Chairman Guy Shepard, Member Λ erres R. R. Spurrie Secretary



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION 2040 South Pacheco Street Santa Fe, New Mexico 87505 (505) 827-7131

February 13, 1998



Citation Oil & Gas Corporation 8223 Willow Place South - Suite 250 Houston, Texas 77070-5623 Attention: Debra Harris

Administrative Order NSL-3947(SD)

Dear Ms. Harris:

Reference is made to your application dated January 14, 1998, for two additional wells, one of which is considered to be located at an unorthodox gas well location, within an existing non-standard 320-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool.

Said GPU comprises the E/2 of Section 13, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, which was authorized by Division Administrative Order NSP-381, dated August 7, 1957 and had dedicated thereon the State "H" Well No. 4 (API No. 30-025-03466), located at a standard gas well location 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 13.

It is our understanding that the two subject wells to be considered in this application are both currently completed as oil wells in deeper horizons and upon issuance of this order will be recompleted up-hole into the Eumont Gas Pool. Pursuant to Rule 2(b)4 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool," as promulgated by Division Order No. R-8170, as amended, the State "H" Well No. 3-Y (API No. 30-025-03472), located 2310 feet from the North line and 990 feet from the East line (Unit H) of said Section 13 is considered to be a "standard" gas well location for this particular 320-acre unit, however the State "H" Well No. 2 (API No. 30-02503465), located 660 feet from the North line and 1260 feet from the East line (Unit A) of said Section 13 is "unorthodox."

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division and the appropriate provisions of said Special Eumont Gas Pool rules.

By authority granted me under the provisions of Rule 2(d) of said special pool rules for the Eumont Gas Pool and Division General Rule 104.F(2) the above-described unorthodox Eumont gas well location for the State "H" Well No. 3-Y is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Eumont gas production from the State "H" Well Nos. 2 and 3-Y with the State "H" Well No. 4. Furthermore, you are hereby

Administrative Order NSL-3947(SD) Citation Oil & Gas Corporation February 13, 1998 Page 2

permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

All provisions of said Division Administrative Order NSP-381 shall remain in full force and effect until further notice.

Sincerely,

tenbery ori rotenher

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs New Mexico State Land Office - Santa Fe File: NSP-381

District I 1625 N. French Dr., <u>District II</u> 1301 W. Grand Ave <u>District III</u> 1000 Rio Brazos Ré <u>District IV</u> 1220 S. St. Francis	a, NM 88210 1 87410) · · · · ·	OILC		l Resources Depar ION DIVISION Francis Dr.	Ċ.	ubmit to App	Form C Revised June 10, 2 ropriate District O State Lease - 4 Cc Fee Lease - 3 Cc AMENDED REPO	2003 office opies opies	
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OGRID N	lo.				'Operator	Name			'Elevation	
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	6 O	3 1260 3Y O	Sharon Ward Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	o O	4 O 4Y O	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O	10 11 0	Date of Survey Signature and Seal of Professional Surveyor:

Shel Attor

June 29, 1938

Shell Petroleum Corporation, Hobbs, N. M. Attention Mr. K. L. Sappington, Division Menager

> Re: Application for Special Specing in the SENWI 13-213-355, Sunice field

Gentlemen:

Your application for special spacing, as set out in your latter of June 13, came before the Commission June 28. In view of the provisions of Order No. 21 adopted by the Commission March 20, 1936, and in view of the fact that the Shell Petroleum Corporation holds under State lesses all units, any part of which are within 500 feet of the proposed exception location, the Commission granted the location in accordance with your application.

Very truly yours,

BT

OIL CONSERVATION COMMISSION

Carl B. Livingston Attorney

obl:d CC to

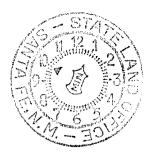
> Mr. A. Andreas, Scoorro, N. M.

Mr. Guy Nhopard, Hobbs, N. M.

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New Mexico Oil Conservation Commission Santa Fe, New Mexico





GOVERNOR CLYDE TINGLEY, Chairman STATE GEOLOGIST G. D. MACY, Member STATE LAND COMMISSIONER FRANK WORDEN, Secretary

> Socorro, New Mexico June 23, 1938

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Hon. Frank Worden State Land Commissioner Box 791 Santa Fe, New Mexico

Dear Mr. Worden:

Enclosed is a letter from the Shell Petroleum Corporation regarding a proposed location in Section 13, Township 21 South, Range 35 East.

They are requesting permission to drill this well 980 feet south of the north-line and 1260 feet west of the east line of Section 13, Township 21 South, Range 35 East. This proposed location, which is 1260 feet west of the east line, will be 60 feet east of the west line of the $SE_4^1NE_4^1$ of this section. This location is less than 330 feet from the boundary line of the unit and therefore will necessitate approval by the Oil Conservation Commission. In checking the records in the Hobbs office I found that the Shell well No. 2, immediately north, was also 1260 feet west of the east line and that this location was approved by the Oil Conservation Commission when Mr. Vesely was Land Commissioner.

As the Shell Petroleum Corporation owns the entire acreage in Section 13, but under two leases, this location will not be detrimental to any of the surrounding lease owners. Considering this location is 980 feet south of the Republic lease in Section 12 and it will be 1260 feet west of the Continental lease in 18, there should be no objection to this location.

I do not think it is necessary to hold a special hearing in regard to this location and if you will approve of this proposed location will you please notify Mr. E. L. Kimrey, District Superintendent, Shell Petroleum Corporation, Hobbs, New Mexico.

Very truly yours,

AA:VCH Encl.

Acting State Geologist.

District I 1625 N. French Dr., District II 1301 W. Grand Ave District III 1000 Rio Brazos Rd District IV 1220 S. St. Francis J	enue, Artesia	a, NM 88210 1 87410 e, NM 8750	2472		ONSERVAT 20 South St. Santa Fe, NI	Resources Depar ION DIVISION Francis Dr. M 87505	1 s	 	Appropriate State L Fee L	Form C-102 d June 10, 2003 e District Office ease - 4 Copies ease - 3 Copies DED REPORT	
' A	WELL LOCATION AND ACREAGE DEDICATIO 'API Number 'API Number 'Pool Code 30-025-39472 22800 Eumont Yates Seven						' Pool Na	me			
⁴ Property C 002831				Stat	' Property N					ll Number Z	
⁷ OGRID N 004537	ło.			Citat	'Operator Name Citation Oil & Gas Corp.				'Elevation 3610 DF		
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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County	
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			231(Signature
				<u>Sharon Ward</u> Printed Name Regulatory Administrator
		6 O	3 D	
			3 ^Y 990	March 23, 2005
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District I 1625 N. French Dr., Hobbs, District II 1301 W. Grand Avenue, Art District III 1000 Rio Brazos Rd., Aztec, District IV 1220 S. St. Francis Dr., Sant	esia, NM 88210 NM 87410	Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505					Form C-102 t Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies			
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	⁷ O	4 990 4Y O	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O		Date of Survey Signature and Seal of Professional Surveyor. EXHIBIT Certificate Number



SHELL OIL COMPANY

P. O. Box 1957 Hobbs, New Mexico

July 5, 1957

Subject: Application for Exception to Rule 5 (a) Order R-520, Shell State H Lease, Well No. 4, Eumont Gas Pool, Lea County, New Mexico

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Gentlemen:

Under provisions of Commission Order No. R-520, Rule 5 (b), delegating the Secretary-Director of the Commission authority to grant exception to the requirements of Rule 5 (a) without notice and hearing for a non-standard gas proration unit, Shell Oil Company hereby applies for an exception to the aforementioned Rule for the Shell State H lease and the well Shell State H No. 4, Eumont Gas Pool.

It is requested that the 320-acre Shell State H lease consisting of the E/2 of Section 13, T-21-S, R-35-E, Lea County, New Mexico, which at present is designated as two 160-acre gas proration units with the producing gas wells being Shell State H No. 2 and Shell State H No. 4, be designated as a single 320-acre non-standard gas proration unit with the well Shell State H No. 4 to be the producing well for this non-standard proration unit.

In support of this application the following facts are submitted:

1. Shell State H No. 2 is located 1260 feet from the East line and 660 feet from the North line of Section 13, T-21-S, R-35-E and was originally completed as an oil well in April, 1937, flowing 350 BOPD from the open hole interval 3800-3925 feet.

2. An application to recomplete State H No. 2 as a gas-oil dual was approved by the Commission on December 4, 1952.

3. Subsequently the dual completion operation was completed on May 15, 1953, with the gross Eumont gas zone producing interval being 3265 to 3670 feet. On potential test the well flowed at the rate of 1400 MCFGPD and was assigned a 160-acre gas allowable.

4. Shell State H No. 4 is located 990 feet from the East line and 1980 feet from the South line of Section 13, T-21-S, R-35-E and was originally completed as an oil well in September, 1938, flowing 825 BOPD from the open hole interval 3767-3907 feet.

5. An application to recomplete State H No. 4 as a gas-oil dual was approved by the Commission on March 7, 1953. Subsequently the dual completion operation was completed on January 12, 1954, with the gross Eumont gas zone producing interval being 3320 to 3542 feet. On potential test the well flowed at the calculated rate of 5800 MCFGPD and was assigned a 160-acre allowable.

6. On January 1, 1957, Shell Oil Company completed State H No. 4-A as a replacement oil well for State H No. 4. In view of the existence of the facts herein stated and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission Order No. R-520, Shell Oil Company requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Respectfully submitted,

SHELL OIL COMP W. E. Owen

Division Production Manager

AKP:WMB

Attachments

<u>AFFIDAVIT</u>

Before me, the undersigned authority, on this day personally appeared <u>W. E.</u> <u>Owen</u>, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on eath, states that he is employed by or associated with Shell Oil Company in the capacity of Division Production Manager, and that the above statements are true and correct.

retribed to before me on this the Jul day of n and s , 1957. Notary Public in and for Lea County, New Mexico

GOVERNOR						
EDW	IN	L.	ME	CHEM		
	CHA	IR	MAN			

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN MEMBER



P. O. BOX 871 SANTA FE, NEW MEXICO

July 25, 1957

Shell Gil Company P. C. Box 1957 Hobbs, New Mexico RECEIVED AUG 1 1957 HOBBS, N. MEX. AHT - ATK P BB Reply Discuss File

STATE GEOLOGIST. A.L. PORTER JR. SECRETARY DIRECTOR

Re: Cancellation of DC established by Order R-271

Attention: Mr. W. E. Owen

Gentlemen:

Reference is made to your Form C-103 dated April 1, 1957, in which the oil completion was abandoned in your State "H" Well No. 4, located in the NE/4 SE/4 of Section 13, Township 21 South, Range 35 East, Eumont Gas Pool. This well is now only a single completion as a gas well in the Eumont Gas Pool. Other records indicate that you drilled your well No. 4A in the same unit as an oil well in the Eumont Gas Pool to replace the prior oil completion in Well No. 4 in the Eumont Gas Pool.

This is to notify you that the dual completion of Well No. 4 established by Order R-271 issued February 27, 1953 is cancelled as of this date.

The basis for this cancellation is the recompletion of Well No. 4 as a single gas well in the Eumont Gas Pool and the drilling of Well No. 4A as a new oil well in the same unit in the Eumont Gas Pool to replace the oil completion in Well No. 4.

Yours very truly,

A. L. PORTER, Jr. Secretary-Director

WWM: omg

cc: Oil Conservation Commission - Hobbs
New Mexico Oil & Gas Engineering Committee - Hobbs
El Paso Natural Gas - Jal
Phillips Petroleum Co., P. O. Box 66, Eunice, N. Mex.

GOVERNOR EDWIN L. MECHEM CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER, MURRAY E. MORGAN MEMBER



P. O. BOX 871 SANTA FE, NEW MEXICO

August 7, 1957

Shell Oil Company P. O. Box 1957 Hobbs, New Mexico

Administrative Order NSP-381

Attention: Mr. W. E. Owen

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

Township 21 South, Range 35 East E/2 of Section 13.

It is understood that this unit is to be ascribed to your State "H" Well No. 4, located 1980 feet from the South line and 990 feet from the East line and in the NE/4 SE/4 of Section 13, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 8 of the pool rules, based upon the unit size of 320 acres effective September 1, 1957. The 160 acre gas allowable for Well No. 2 in the Eumont Gas Pool is cancelled as of September 1, 1957 and the net status of Well No. 2 will be assumed by Well No. 4 on that date.

Very truly yours,

Α. Secretary-Director

WWM:omg
cc: Oil Conservation Commission - Hobbs
New Mexico Oil & Gas Engr. Comm., Hobbs
El Paso Natural Gas - Jal
El Paso Natural Gas - El Paso

New Mexico State Land Office (Mrs. Rhea)

STATE GEOLOGIST. A.L. PORTER JR SECRETARY DIRECTOR

RECEIVED AUG 9 1957 HOBBS, N. MEX. Renh File Discuse

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

	WELL LOCATION AND ACREAGE DEDICATION PLAT									
'API Number ² Pool				² Pool Code	; ; .	'Pool Name				
30-025-03	473			22800	Eur	nont Yates	Seven River	s Queen		
Property C	ode				' Property N	lame			Well Number	
002831				Stat	еН				4Y	
[†] OGRID N	0.				Operator N	lame			'Elevation	
004537				Citat	ion Oil &	Gas Corp.			3602 DF	
	¹⁰ Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South li	ne Feet from the	East/West line	e County	
I	13	215	35E		1650	South	990	East	Lea	
	¹¹ Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn		North/South li		East/West lin	e County	
						1				
¹² Dedicated Acres	" Joint or	Infill "Co	nsolidation	Code "Or	der No.	· · · ·		······································	· <u>····································</u>	
40					NSP-381		· · ·			

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

16	5 O	2 O	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Sharon Ward Signature
	6 O	3 O 3Y O	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	7 O	4 ⊙ 4Y ♥990	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O		Date of Survey Signature and Seal of Professional Surveyor:

(th)			OIL CO	NEW MEXIC			- 100
C							Form C-128
		W	ell Locat	tion and/or Gas	Proratio	on Plat Date	Bovesber 16, 1996
Operator_	Ebell.	eti Comany		Lease_	<u></u> \$1	ste R	
Well No	k ak	Section	13	Township	-2	Range	NMPM
Located	1650	Feet Fr	om	Line,	\$ 730	Feet Fro	mLine,
	Les		County	, New Mexico.	G. L.	Elevation	not available
Name of P	roducing	Formation <u></u>	aven 21va	Pool		Dedica	ted Acreage 👥
	(No	ote: All dist	ances mi	1st be from out	er bounda	aries of Sect	tion)
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				650
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1.	Is this Well a	SCALE:1"=1000' a Dual Comp. ? Yes	No 🙀 .	This is to certif

2. If the answer to Question 1 is yes, are there any other dually completed wells within the

 dedicated acreace? Yes
 No

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 Image: Second State

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 Image: Second State

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 Im

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

- 990'

EXHIB

4A **T**O

1

Date Surveyed Registered /Professional Engineer and/or

Land Surveyor

District I 1625 N. French Dr., District II 1301 W. Grand Ave District III 1000 Rio Brazos Ro District IV 1220 S. St. Francis	enne, Artesiz I., Aztec, NN	1, NM 88210 187410 e, NM 87505	State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505				N S	Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies			
<u></u>		<u>N</u>	<u>'ELL LC</u>			REAGE DEDIC					
'A	API Number			² Pool Code	· · · ·		¹ Pool Nat				
30-025-03	3467			22800	E	Eumont Yates Seven Rivers Queen					
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'OGRID N	No.				'Operato	r Name			,	Elevation	
004537				Citat	ion Oil &	Gas Corp.				3612 DF	
·					10	Location					
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¹² Dedicated Acres	Joint of	r Infill "C	Consolidation (Code ¹⁵ Or	der No.	· · · · · · · · · · · · · · · · · · ·					
40	ł				NSP-38	1	•				

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

16	Ggg 2310 −	2 O	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature
	6 O	3 O 3Y O	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	7 O	4 〇 4 4 Y 〇	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O	10 11 0	Signature and Seal of Professional Surveyor.

District I 1625 N. French Dr. District II 1301 W. Grand Ave District III 1000 Rio Brazos Re District IV 1220 S. St. Francis	enue, Artesia L., Aztec, NM	n, NM 88210 1 87410 e, NM 87505		OIL CO	ONSERVAT 20 South St. Santa Fe, NI	Resources Depar ION DIVISIO Francis Dr. M 87505	N S	ubmit to Appropri Stat Fe	Form C-102 ised June 10, 2003 ate District Office e Lease - 4 Copies e Lease - 3 Copies ENDED REPORT
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	PI Number	. .		² Pool Code			' Pool Na	_	
30-025-0	<u>3468</u>		<u> </u>	22800	<u> </u>	mont Yates S	even River	s Queen	
Property C	Code				' Property 1	Name		•	Well Number
002831	1			Stat	еН		•		6
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······································					¹⁰ Surface	Location			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	13	215	35E		1980	North	2310	East	Lea

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UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres	" Joint of	r Infill 4	Consolidation	Code "O	rder No.				
40					NSP-381		•	·	

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		1980		Signature
		e	2	Sharon Ward Printed Name Regulatory Administrator sward@cogc.com
	· .	2310	Э ЗҮ	Title and E-mail Address March 23, 2005
			0	Date
		7	4 O	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by
		Q	4Y	me or under my supervision, and that the same is true and correct to the best of my belief.
· · · · · · · · · · · · · · · · · · ·			0	Date of Survey
		8		Signature and Seal of Professional Surveyor.
		O O		EXHIBIT
			0	Certificate Number

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505	Energy, Minerals & N OIL CONSER 1220 Sout	New Mexico Vatural Resources Department VATION DIVISION h St. Francis Dr. de, NM 87505	Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies
WE	LL LOCATION AND	ACREAGE DEDICATION P	LAT
'API Number	² Pool Code	Poo	Name
30-025-03469	22800	Eumont Yates Seven Riv	ers Queen
* Property Code	'Pr	operty Name	'Well Number
002831	State H	· · · · · · · · · · · · · · · · · · ·	7
⁷ OGRID No.	'O _F	perator Name	'Elevation
004537	Citation Oi	1 & Gas_Corp	3595 DF
	10 Sur	face Location	· · · · · · · · · · · · · · · · · · ·

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	13	215	35E		1980	South	1980	East	Lea
			¹¹ Bo	ottom Ho	le Location If	Different Fror	n Surface		
UL or lot no.	Section	Township	Rønge			North/South line		East/West line	County
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¹² Dedicated Acres	" Joint or	'Infill	Consolidation	Code ¹⁶ Or	der No.				
40					NSP-381		•		

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State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

Form C-102

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'/	API Number			² Pool Code			' Pool Nar	ne		
30-025-0	3470			22800	Eu	mont Yates	Seven River	s Queer	1	
Property C	Code				' Property I	Name			'v	Vell Number
002831				Stat	еН					8
⁷ OGRID N	No.				'Operator !	Name	· · · ·			Elevation
004537				Citat	ion Oil &	Gas Corp.				3607 DF
					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South lin	e Feet from the	East	/West line	County
.0	13	215	35E		660	South	1650	East	-	Lea
		· · · · · · · · · · · · · · · · · · ·	¹¹ Bc	ottom Ho	le Location I	f Different Fro	om Surface			
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South lin	e Feet from the	East	/West line	County
" Dedicated Acres	" Joint on	r Infill "Cor	nsolidation (Code "Or	der No.	· · ·				

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NSP-381

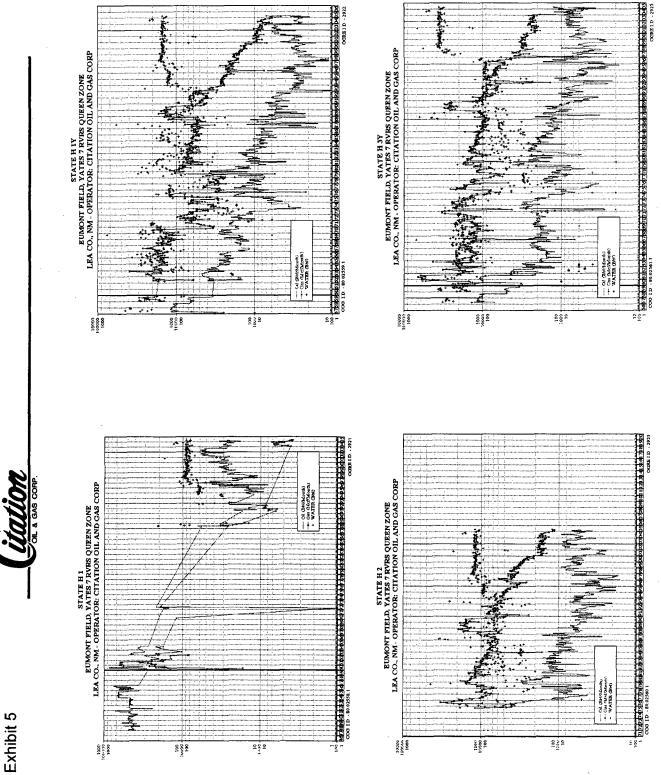
16	5 O	2 O	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature
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	8 • 165 99	0 1 0 1 0 0	Date of Survey Signature and Seal of Professional Surveyor. EXHIBIT Certificate Number

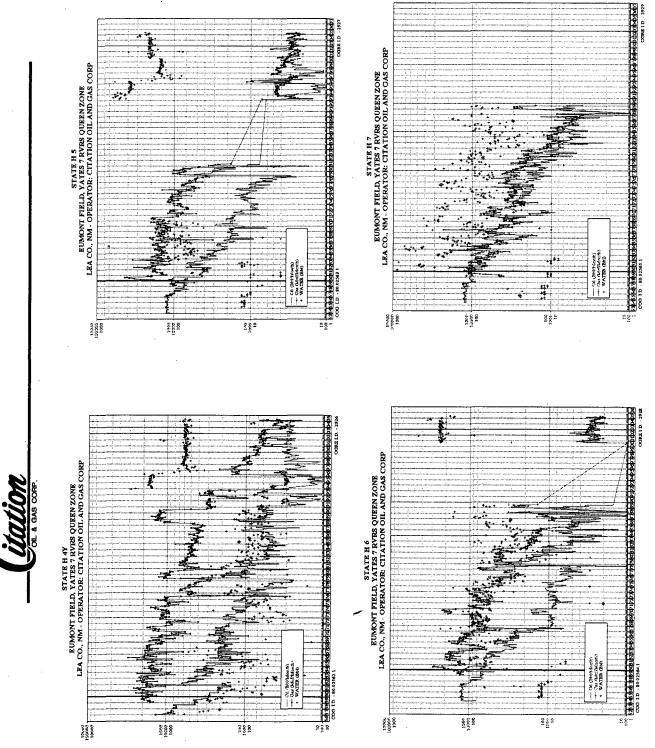
titation on a corp.

Citation Eumont 5/2005 Production

New Mexico Field Names and Numbers 22800 EUMONT;YATES-7 RVRS-QUEEN (OIL) 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS) 23000 EUNICE MONUMENT;GRAYBURG-SAN ANDRES Data for Field from 5/2005 COG NM Form C-115

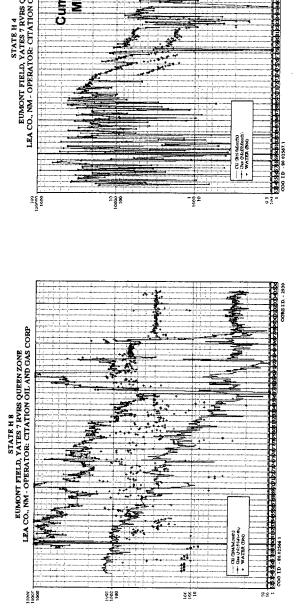
Notes	005	005	005	005	005	005	005	005	005	//21/2005 Subject of New Application	/21/2005 Planned for Recompletion
Date Pulled	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2	U 101
Days On	31	31	31	31	31	31	31	0 0	31	31	0
Water BWPM	60	150	120	360	602	240	180	0	30	30	0
GOR	14,074	12,891	21,696	14,928	7,364	9,370	8,444	ł	926	44,074	ł
Gas MCFPM	380	709	1215	1239	405	253	228	0	25	1190	0
0il BOPM	27	55	56	83	55	27	27	0	27	27	0
Status											
Internal Well Type	PR	PR	PR	PR	PR	PR	PR	SR	PR	PR	SR
Field and Pool#	22800	22800	22800	22800	22800	22800	22800	22800	22800	76480	22800
WellName	STATE H 1	STATE H 1Y	STATE H 2	STATE H 3Y	STATE H 4Y	STATE H 5	STATE H 6	STATE H 7	STATE H 8	STATE H 4	STATE H 3
COG WellID	(11/2005 80.02558.1	11/2005 80.02559.1	/1/2005 80.02560.1	5/1/2005 80.02561.1		5/1/2005 80.02563.1	11/2005 80.02564.1	6/1/2005 80.02565.1	/1/2005 80.02566.1	11/2005 80.02567.1	0.11/2005 80.03516.1
Month of Prod.	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005	5/1/2005







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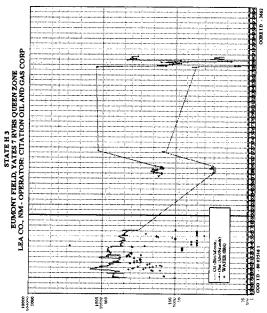


Refrac'd in 2001

STATE H 4 EUMONT FIELD, YATES 7 RVRS QUEEN ZONE LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP

Cum 5,423 MMCF

2000 DATE DATE OF THE PARTY OF DORE LD.



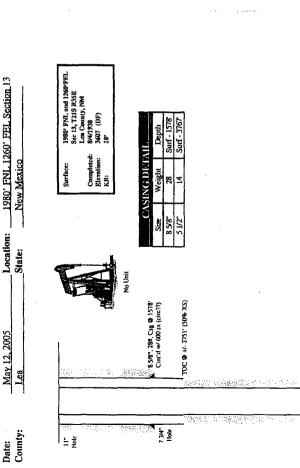


H3 – Shut-in Prior to Workover

CURRENT WELLBORE DIAGRAM AND INFORMATION CITATION OIL AND GAS CORPORATION

State H #3

Well Name:



H3 – Proposed Production Configuration

CITATION OIL AND GAS CORPORATION PROPOSED WELLBORE DIAGRAM AND INFORMATION

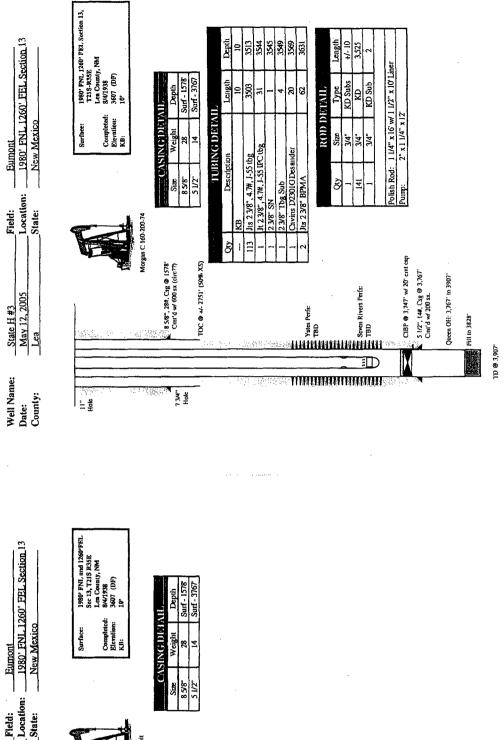


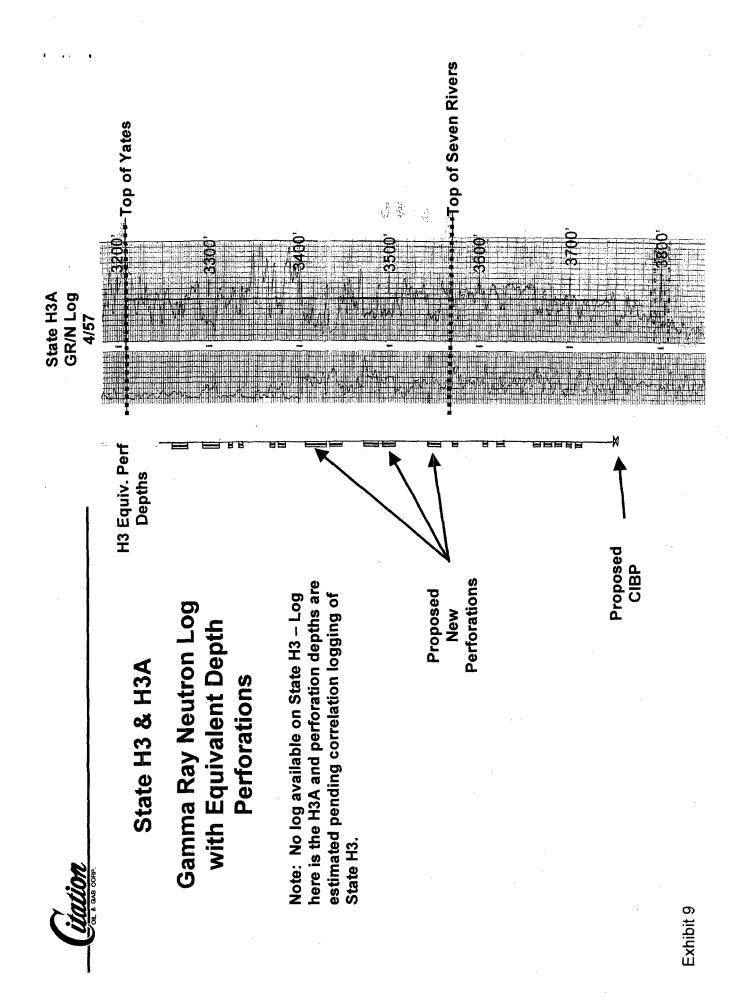
Exhibit 8

TD @ 3,907

5 1/2", 14#, Csg @ 3767' Cmt'd w/ 200 sx.

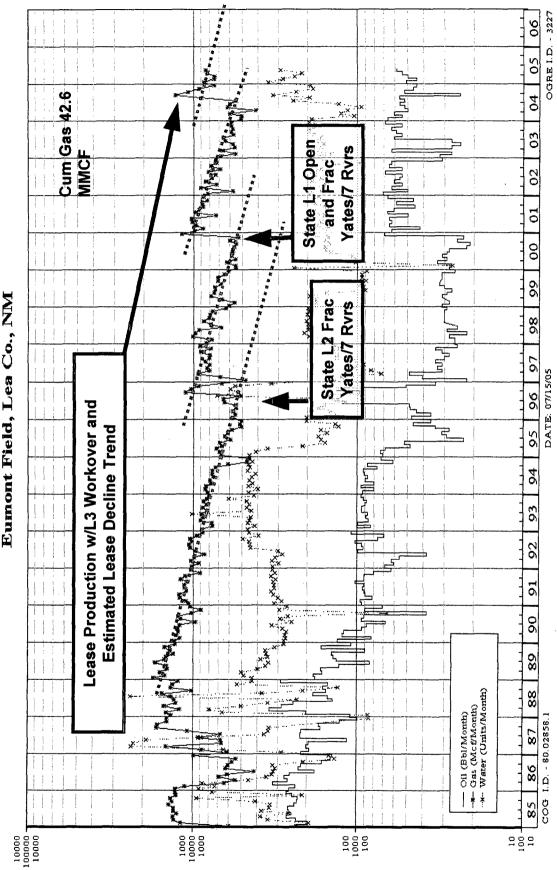
Queen OII: 3767' to 3907'

Fill to 3828'



Citation OIL & GAS CORP.





Citation on a care corp.

24 hrs Pmp'd 1 BO, 4 BW 326 MCF FAP - NA, TP = 200#, CP = 11# , BLWTR = Note: \$6,000 added for moving & setting pumping unit, wrist pin repair & pumping 24 hrs Pmp'd 0 B0, 0 BW, <mark>167 MCF, FL @ 86 JFS, FAP - 798', TP = 110#</mark>, CP = 18# , BLWTR = 1239 (<u>Comp dn 16 hrs - wir temp</u>) 24 hrs Pmp'd 0 BO, 2 BW 319 MCF FAP = 221' (foam?), TP = 200#, CP = 11#, BLWTR = 1248 24 hrs Pmp'd 0.5 B0,5 BW 313 MCF, FAP - 310' (foam), TP = 200#, CP = 7# , 100 % AFE Cost: \$295,000 CapBudget#: 107 PBTD: PBTD: ease Production: 10 BO, 250 BW, 303 MCF (Comp dn 16 hrs - wtr temp) PBTD: PBTD: AFE#: 040355 STATUS: A COG WI: Ä Ä Ë Ä Morning Reports with Estimated Lease Production: 17 BO, 270 BW, 582 MCF -ease Production: 16 BO, 272 BW, 589 MCF Lease Production: 17 BO, 273 BW, 580 MCF Present Operation: Pumping to battery CC: \$335,620 CC: \$335,620 CC: \$335,620 CC: \$341,620 **Gas Rates** BLWTR = 1239DC: \$6,000 unit base. DC: \$1 DC: \$0 DC: \$1 8/25/04 8/23/04 8/24/04 8/26.04 244 Day: 27 / Day: 25 / Day: 26 / Day: 28 / LEA COUNTY, NM EUMONT FIELD 8/24/2004 8/25/2004 8/26/2004 OAP and Frac 8/27/2004 STATEL 3 WTA

Exhibit 11.



State L3 - Recompletion to Yates/7 Rvrs Estimated Potential Reserves

105 MCFPD 7 MCFPD 15% per Annum	42,632 MCF 8/2004 to 5/2005	Remaining Reserve = Q = - 365 X (qi - qf) / ln (1 - D) qi = Initial Rate per Day qf = Final Rate per Day D = Decline Rate (fraction)
Initial Rate = Est. Economic Limit = Est. Decline =	Cum Production =	Remaining Rese qi = Ir qf = F D = D

Q = 220,688 MCF Estimated Ultimate = 263,320 MCF

	After L1 Work was Complete (from Lease Production Plot) :	Remaining Reserves Prior to L1 Qa = 403,958 MCF	Cum Prod from 12/2000 to 8/2004 (L3 Work): Ca = 321,980 MCF	Initial Rate = 181 MCFPD Est. Economic 14 MCFPD	18	Remaining Reserve = Q = - 365 X (qi - qf) / In (1 - D)	Qb= 307,009 MCF - Remaining Lease Reserve PRIOR to L1 Work	Change in Reserves from Work on L1 in 2000:	Delta Q = (Qb + Ca) - Qa	Therefore, Delta Q = <u>225,030</u> MCF (from L1 Work)		Summary of Gross Gas Reserve Additions:	Reserves Added by State L2 Frac - 429 MMCF Becarves Added by State 11 Onen Vates & 7	erves Auded by State LT Open Lates & 7 Rivers/Oneen – 225 MMCF	Reserves Added by State L3 Open Yates & 7	Rivers/Queen – 263 MMCF
Contraction On a Gas CORP. Reserve Adds from Recompletion and/or Stimulation of L2 and L1		From Lease Production History Prior to L2 Work (9/96) Initial Rate = 181 MCFPD	Est. Economic Limit = 14 MCFPD Est. Decline = 16% per Annum	Remaining Reserve = Q = - 365 X (qi - qf) / ln (1 - D)	Qa = 349,606 MCF - Remaining Lease Reserve PRIOR to L2 Work	After L2 Work was Complete (from Lease Production Plot) :	Cum Prod from 9/96 to 12/2000 (L1 Work): Ca = 374,900 MCF	Initial Rate = 181 MCFPD Est Economic	Limit = 14 MCFPD Est. Decline = 14% per Annum		Remaining Reserve = Q = - 365 X (qi - qf) / lh (1 - D)	Qb= 403,958 MCF - Remaining Lease Reserve PRIOR to L1 Work	Change in Reserves from Work on L2 in 1996:	Delta Q = (Qb + Ca) - Qa	Therefore, Delta Q = <u>429,252</u> MCF (from L2 Work) ReS 6	Exhibit 13



State H3 - Recompletion to Yates/7 Rvrs Estimated Potential Reserves

Initial Rate 120 MCFPD Est. Economic Limit = 7 MCFPD Est. Decline = 15% per Annum

Remaining Reserve = Q = - 365 X (qi - qf) / ln (1 - D)

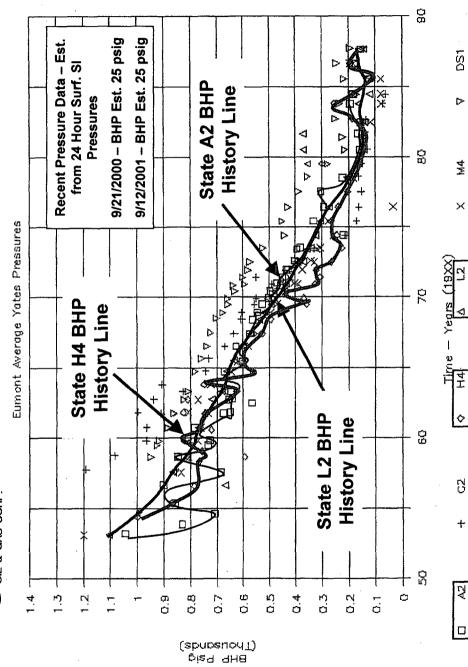
qi = Initial Rate per Day

qf = Final Rate per Day

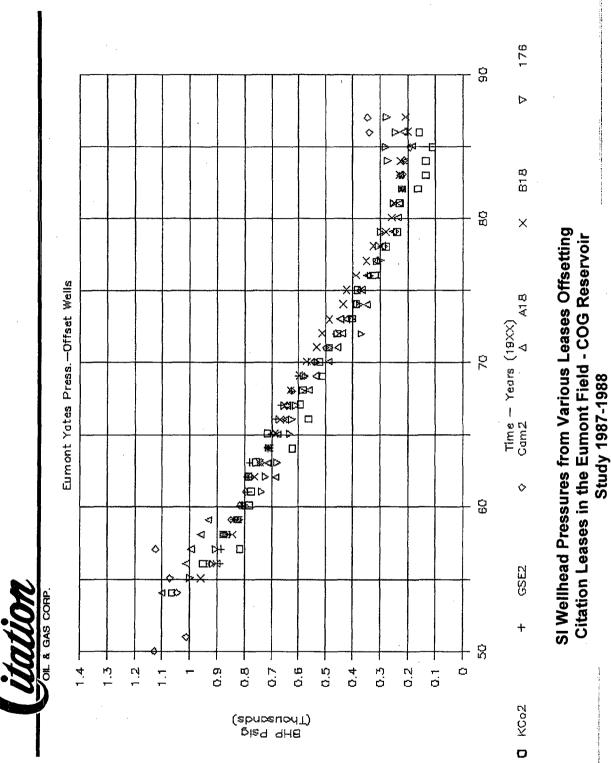
D = Decline Rate (fraction)

Q = 253,786 MCF

Citation OIL & GAS CORP.



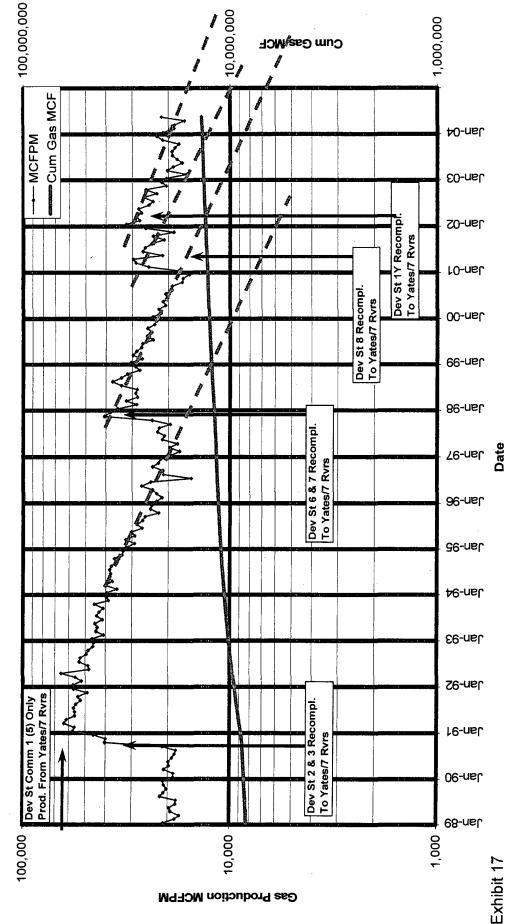
SI Wellhead Pressures from Various Citation Leases in the Eumont Field - COG Reservoir Study 1987-1988



4 19 J







Note that, after each drainage point addition, the extrapolation (green dashed lines) of the production trends show a significant increase in gas reserves from the lease as a result of the work.

6 m 🖉

EXHIBIT 19

OFFSET OPERATOR NOTICE LIST

Amerada Hess Corp. P. O. Box 2040 Houston, TX 77252-2040

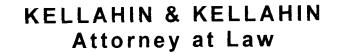
BP America Production Company P. O. Box 22048 Tulsa, OK 74121

Harvard Petroleum Corporation P. O. Box 936 Roswell, NM 88202-0936

Momentum Operating Co. Inc. 224 South Main Albany, TX 76430

XTO Energy, Inc. 3000 North Garfield Suite 175 Midland, TX 76430

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CITATION OIL & GA	CITATION OIL & GA	JAMES D FINLEY	JAMES D FINLEY
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CS	CS	CS	CS
B01167 0051	B01167 0051	E00392 0013	E00392 0013
CITATION OIL & GA	CITATION OIL & GA	JAMES D FINLEY	JAMES D FINLEY
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PAGE NO: 1	Type : NORMAL	Rng : 35E Section	Sec : 13 Twp : 21S
11/02/05 13:53:41	BY SECTION	ONGARD	CMD :
OGOMES -TP20		INQUIRE LAND	OG5SECT



W. Thomas Kellahin

Recognized Specialist in the Area of Natural Resources-oil and gas law-New Mexico Board of Legal Specialization P.O. Box 2265 Santa Fe, New Mexico 87504 117 North Guadalupe Santa Fe, New Mexico 87501

Telephone 505-982-4285 Facsimile 505-982-2047 kellahin@earthlink.net

28

17

September 28, 2005

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

NOTICE OF THE FOLLOWING NEW MEXICO OIL CONSERVATION DIVISION ADMINISTRATIVE CASE:

OFFSETTING OPERATOR:

Re: Administrative Application of Citation Oil & Gas Corp. for a "well density" exception to Order R-8170-P pursuant to Rule 4(B) of the Special Rules and Regulations of the Eumont Gas Pool for E/2 of Section 13, T21S, R35E, Ea County, New Mexico.

Dear Offsetting operator:

On behalf of Citation Oil & Gas Corp. please find enclosed a copy of its referenced administrative application. This notice is based upon records that indicate that you are an offsetting operator to the E/2 of this section.

If you have no objection, then there is nothing for you to do. If you are willing to waiver objection, please sign this letter as indicated and return it to me. However, should you have any objection to the Division approving this application, then it will be necessary for you to file a written objection with the New Mexico Oil Conservation Division, 1220 South Saint Francis Drive, Santa Fe, New Mexico 87505 within twenty (20) days of the date of this letter. Failure to file a timely objection will preclude you from objecting at a later date.

Vervetruly vours. Thomas Kellahin

WAIVER OF OBJECTION:

By:	with authority for
and on behalf of	
Date:	

						
DATE #	<u> </u>	SUSPENSE		LOGGED N	The	APP NO.
*			EXICO OIL COI - Engineeri	THIS LINE FOR DAYLSON USE ONLY NSERVATION DI NG BUREAU - rive, Santa Fe, NM 83		
		ADMII	NISTRATIVE	APPLICATIC	N CHECK	LIST
	cation Acro [NSL-Non [DHC- [P	nyms: -Standard Loc Downhole Cor C-Poel Comm [WFX-Wa [SW	WHICH REQUIRE PROCE cation] [NSP-Non-St nmingling] [CTB-I ingling] [OLS - Off terflood Expansion] D-Salt Water Dispos	E APPLICATIONS FOR EX SSING AT THE DIVISION LI candard Proration Un Lease Commingling] [-Lease Storage] [1 [PMX-Pressure Main cal] [1P1-Injection P Certification] [PP	EVEL IN SANTA FE , , , , , , , , , , , , , , , , , , ,	ase Commingling] Measurement] ansion] se]
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[2]	NOTIFIC [A	ATION REQ	UIRED TO: - Chec rking, Royalty or Ov	k Those Which Apply erriding Royalty Inter	y, or Does No [.] rest Owners	t Apply
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	D		ification and/or Conc ureau of Land Management - C	current Approval by E ommissioner of Public Lands, St	BLM OT SLO tate Land Office	
	[E] [] For	all of the above, Pro	of of Notification or H	Publication is At	tached, and/or,
	ŢT]] 🗌 Wai	vers are Attached		-	
[3]			AND COMPLETE DICATED ABOVE		EQUIRED TO	PROCESS THE TYPE

[4] CERTIFICATION: I hereby certify that the information submitted with this application for administrative approval is accurate and complete to the best of my knowledge. I also understand that no action will be taken on this application until the required information and notifications are submitted to the Division.

- Cum		928/15
Print or Type Name Signature	KELLAHIN & KELLAHIN Attorneys At Law P.O. Box 2265 Santerfiel ARM: \$87504-2265	Date

KELLAHIN & KELLAHIN Attorney at Law

W. Thomas Kellahin

Recognized Specialist in the Area of Natural Resources-oil and gas law-New Mexico Board of Legal Specialization P.O. Box 2265 Santa Fe, New Mexico 87504 117 North Guadalupe Santa Fe, New Mexico 87501

September 28, 2004

HAND DELIVERED

Mr. Michael E. Stogner Administrative Judge Oil Conservation Division 1220 South Saint Francis Drive Santa Fe, New Mexico 87505

Re: NMOCD Administrative Application of Citation Oil & Gas Corp. for a "well density" exception to Order R-8170-P pursuant to Rule 4(B) of the Special Rules and Regulations for Eumont Gas Pool for E/2 of Section 13, T21S, R35E Lea County, New Mexico

Dear Mr. Stogner:

On behalf, Citation Oil & Gas Corp. ("Citation") please find enclosed our administrative application which, if granted, will result in the addition of 1 Eumont gas well, the State "H" Well No. 3, to be recompleted from the Queen to the Yates-Seven Rivers intervals of the Eumont Gas Pool. This Unit is currently approved as a non-standard proration unit "NSP" that contains the State "H" Wells No. 1, 1-Y, 2, 3, 3-Y, 4, 4-Y, 5, 6, 7, and 8.

ery thul omas Kellahin

cc: Citation Oil & Gas Corp. Attn: K. C. (Charlie) Adams Telephone 505-982-4285 Facsimile 505-982-2047 kellahin@earthlink.net

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

ADMINISTRATIVE APPLICATION OF CITATION OIL & GAS CORPORATION FOR A "WELL DENSITY" EXCEPTION TO ORDER R-8170-PURSUANT TO RULE 4(B) OF THE SPECIAL RULES AND REGULATIONS FOR THE EUMONT GAS POOL, LEA COUNTY, NEW MEXICO

ADMINISTRATIVE APPLICATION

Citation Oil & gas Corporation ("Citation"), in accordance with the provisions of Rule 4(B) of the Special Rules and Regulations for the Eumont Gas Pool (Order R-8170-P) seeks the approval of the New Mexico Oil Conservation Division to add the State "H" Well No. 3, located 1980 feet FNL and 1260 feet FEL of Section 13, T21S, R35E, as a gas well to this currently approved non-standard proration unit "NSP" consist of the E/2 of this section that contains the State "H" Wells No. 1, 1-Y, 2, 3, 3-Y, 4, 4-Y, 5, 6, 7, and 8, as an exception to the "well density" provisions of Rule 3(C) for this pool and in support states:

CURRENT STATUS OF WELLS WITHIN THIS 320-ACRE GPU

The existing wells in the E/2 of Section 13 are operated by Citation and are as follows: (See area locator map attached as Exhibit A, see spacing unit located map attached as Exhibit B and composite C-102 attached as Exhibit C)

(a) Unit P (SE/4SE/4):

State "H" Well No. 1

i. API 30-025-08558

ii. C-102 attached as Exhibit D and E

iii. Standard location 660 feet FSL and 660 feet FEL

iv. Status: producing Eumont oil well (GOR 18,957)

v. Cumulative production as of 8/1/05:

As Eumont Oil – 231,081 BO &

764,869 MCF

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 2-

(b) Unit P (SE/4SE/4):

State "H" Well No. 1-Y

i. API 30-025-03471

ii. C-102 attached as Exhibit F and G

iii. Standard oil location 330 feet FSL and 990 feet FEL Status: producing Eumont oil well (GOR 15,276) Cumulative production as of 8/1/05: As Eumont Oil – 79,341 BO & 3,518,843 MCF

(c) Unit A (NE/4NE/4):

State "H" Well No. 2

i. API 30-025-03465

ii. C-102 attached as Exhibit H and I

iii. Unorthodox location 660 feet FNL and 1260 feet FEL (60 feet from western boundary of this 40-acre tract) (see OCD letter dated 12/30/1953-attached as Exhibit J)

iv. Order R-222, dated December 4, 1952, DHC, attached as Exhibit K.

v. Status: producing Eumont oil well (GOR 24,553)

vi. Cumulative production as of 8/1/05:

Produced as gas well from 1953 to August 1957 – Cum Gas 672,120 MCF (Yates sqz'd in 1957)

Produced as oil well from 1937 to 1953 and From 1957 to present – Cum production as Of 8/1/2005 – 287,115 BO 4,252,683 MCF

vii. Order: NSL-3947 (SD), dated February 13, 1998 attached as **Exhibit L**.

> Approved unorthodox gas well location for State "H" Well No. 3-Y and simultaneous dedication with H-2, H-3-Y and H-4

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 3-

(d) Unit H (SE/4NE/4):

State "H" Well No. 3 (subject of this application)

i. API 30-025-08559

ii. C-102 attached as **Exhibit M**

iii. Unorthodox location 1980 feet FNL and 1260 feet

FEL (cannot locate reference for approval of this NSL)

iv. Original Status:

- a. Completed 8/5/1938 Oil well in Seven Rivers/Queen
- b. Classified as Eumont Oil well until SI July, 1990.
- c. Cumulative production to 7/31/1990: 203,251 BO & 126,819 MCF
- v. Shut-in pending action on this application
- (e) Unit H (SE/4NE/4)
 - a. State "H" Well No. 3-Y
 - i. API 30-025-30472
 - ii. C-102 attached as Exhibit N and O
 - iii. Standard location 2310 feet FNL and 990 feet FEL
 - iv. Status: *Producing* Eumont oil well (GOR 26,745)
 - v. Cumulative production as of 8/1/05: 117,428 BO 6,741,370 MCF
 - vi. Approved by Administrative Order NSL-3947, dated February 13, 1998. Attached is Exhibit L
- (f) Unit I (NE/4SE/4)
 - a. State "H" Well No. 4
 - i. API 30-025-02465

ii. C-102 attached is Exhibit P

- iii. Standard location 2310 feet FSL and 990 feet FEL
- iv. Status: Producing Eumont gas well (GOR 50,174)
- v. Produced from 1938 to March of 1957 as a Eumont Oil Well. Recompleted to the Yates and produced as a Eumont gas well from 1957 to present.

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 5-

- vi. Cumulative production as oil well from 1938 to 1957: 136,522 BO No record of gas volumes.
- vii. Cumulative production as a gas well from 1957 to present 1418 BO 5,425,708 MCF
- viii. OCD approval letter dated July 5, 1957 concerning well dedication to the E/2 of this section. Attached as Exhibit Q
- ix. OCD letter dated July 25, 1957 cancelled downhole commingling established by Order R-271, attached as Exhibit R
- **x.** OCD administrative Order NSP-381 dated August 7, 1957 attached as **Exhibit S**
- (g) Unit I (NE/4SE/4)
 - a. State "H" Well No. 4-Y
 - i. API 30-025-03473
 - ii. C-102 attached as **Exhibit** T and U
 - iii. Standard location 1650 feet FNL and 990 feet FEL
 - iv. Status: *Producing* Eumont oil well (GOR 8723)
 - v. Cumulative production as of 8/1/05: 82,303 BO 4,148,302 MCF
- (h) Unit B (NW/4NE/4)
 - a. State "H" Well No. 5
 - i. API 30-025-03467
 - ii. C-102 attached as Exhibit V
 - iii. Standard location 660 feet FNL and 2310 feet FEL
 - iv. Status: : Producing Eumont oil well (GOR 11174)
 - v. Cumulative production as of 8/1/05: 142,934 BO 3,327,131 MCF
- (i) Unit G (SW/4NE/4)
 - a. State "H" Well No. 6
 - i. API 30-025-03468
 - ii. C-102 attached as Exhibit W
 - iii. Standard location 1980 feet FNL and 2310 feet
 - iv. Status: *Producing* Eumont oil well (*GOR 4914*)

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 6-

v. Cumulative production as of 8/1/05: 133,446 BO 2,560,807 MCF

(i) Unit J (NW/4SE/4)

a. State "H" Well No. 7

i. API 30-025-03469

ii. C-102 attached as Exhibit X

iii. Standard location 1980 feet FSL and 1980 feet FEL

- iv. Status: Shut-in ("TA") Eumont oil well (SI August, 1989)
- v. Cumulative production as of 8/1/05: 188,404 BO 1,336,581 MCF

(k) Unit 0 (SW/4SE/4)

a. State "H" Well No. 8

i. API 30-025-03470

ii. C-102 attached as Exhibit Y

iii. Standard location 660 feet FSL and 1650 feet FEL

iv. Status: *Producing* Eumont oil well (*GOR 1130*)

v. Cumulative production as of 8/1/05: 177,375 BO 1,441,984 MCF

CURRENT REQUEST

By this application, Citation requests approval to add the State "H" Well No. 3, located 1980 feet FNL and 1260 feet FEL of Section 13, T21S, R35E, Lea County, New Mexico, as an exception to the "well density" provisions of Rule 3(C) for this pool resulting in:

Well "H" No. 1 Well "H" No. 1-Y Well "H" No. 2 Well "H" No. 3 Well "H" No. 3-Y Well "H" No. 4 Well "H" No. 4-Y producing producing subject well shut-in producing producing producing NMOCD Administrative Application Citation Oil & Gas Corporation -Page 7-

Well "H" No. 5	producing
Well "H" No. 6	producing
Well "H" No. 7	shut-in
Well "H" No. 8	producing

REASONS FOR REQUEST WITH SUPPORTING DATA

In accordance with Rule 4(C)(b)(2), Citation submits Exhibits 4 through 17 and states the following:

(a) Explanation:

- a. The State "H" Well No. 3 will, recover Eumont gas that will not be recovered by the other wells within this GPU (State "H" Wells No. as above).
- b. Citation estimates that 248,672 mcf of additional gas will be recovered from the State "L" Well No. 3. See Exhibit 11.
- c. Citation calculates that will not have adverse affect upon off-setting production for the Eumont since there are no offset gas wells directly adjacent to the State H3.
- (b) Land plat. See Exhibit 2 attached
- (c) Well information for GPU. See above
- (d) Section 1 showing all Eumont wells. See Exhibit B attached
- (e) Engineering and Geological Exhibits
 - i. See Engineering Exhibit 4 through Exhibit 17

NMOCD Administrative Application Citation Oil & Gas Corporation -Page 8-

NOTICE REQUIREMENTS

Copies of the application and notice letter (See Exhibit 18) were sent certified mail-return receipt requested to the parties listed set forth in Exhibit 19.

Respectfully submitted, omas Kellahin TE

Cc: Citation Oil & Gas Corp. Attn: Charlie Adams (PE)

ntion OIL & GAS CORP.

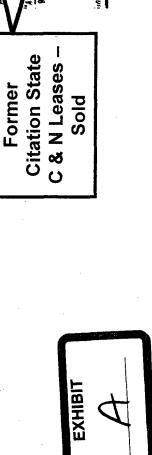
Location Map

Citation Leases and State H Lease Located in E/2 Sec. 13 T35E R21S

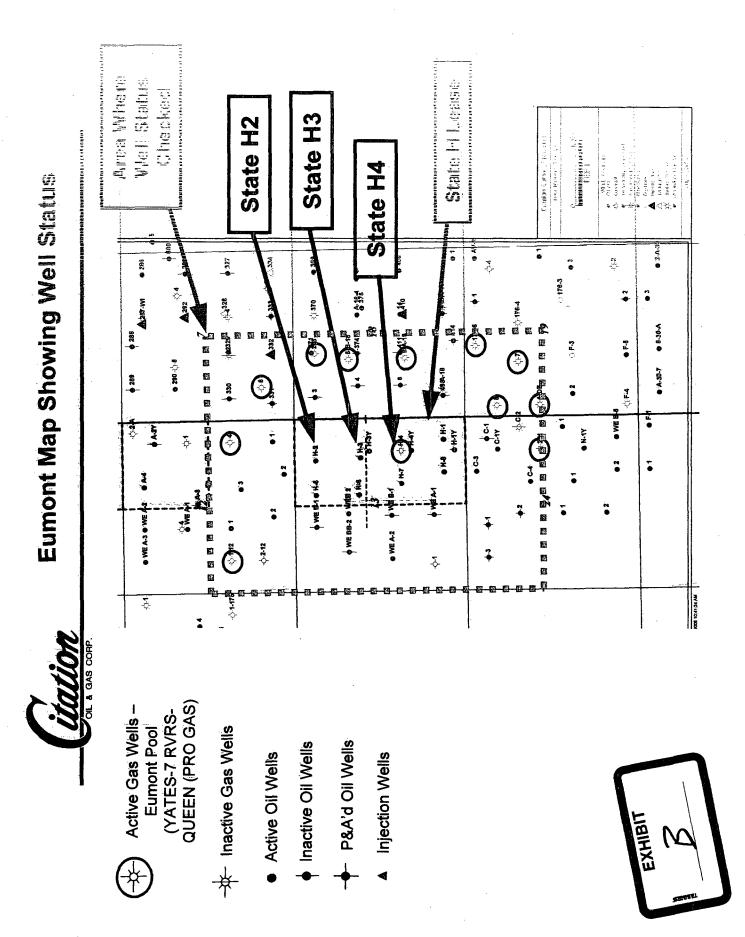
Lea County, New Mexico

State A Lease

State H Lease and 320 Ac. GPU in Eumont Gas Pool



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District
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

		W	/ELL LC	CATIO	N AND ACR	EAGE DEDICA	ATION PLA	Τ			
1	API Number	-		² Pool Code			' Pool Nar	ne			
						Eumont Yates	Seven Riv	vers Queen			
⁴ Property (Code				* Property !	Name		۰۱	Well Number		
00283	1				State	H					
⁷ OGRID I	No.				'Operator 1	Name			'Elevation		
00453	37			Cita	ation Oil 8	Gas Corp.					
					¹⁰ Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
	13	215	35E						Lea		
			¹¹ Bo	ottom Ho	le Location I	f Different From	Surface				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County		
¹² Dedicated Acres	Joint or	Infill ¹⁴ C	onsolidation (Code ¹⁵ Or	der No.	L					
320			R-222, NSP-381, NSL-3947 (SD)								

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

16	99 99 5 2310	9 9 2 1260	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.
			Sharon Ward
	2310	0861 1260	Sharon Ward Printed Name Regulatory Administrator Title and E-mail Address sward@cogc.com
	6	3 990 3Y	March 23, 05
	7	4 990 07 ₹	¹⁸ SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by
	1980	4Y 990	me or under my supervision, and that the same is true and correct to the best of my belief.
	1980	1	Signature and Seal of Professional Surveyor:
	1650	14 8 990	Certificate Number

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505			En	ergy, Min OIL C(ONSERVAT	al Resources Depar TION DIVISION Francis Dr.	C.	ubmit to A	Appropria State Fee	Form C-102 ed June 10, 2003 te District Office Lease - 4 Copies Lease - 3 Copies NDED REPORT
		W	<u>ELL LO</u>	CATIO	<u>N AND ACI</u>	REAGE DEDIC	ATION PLA	<u>T</u>		
1			² Pool Code			'Pool Nar	ne			
30-025-	08558			22800	E	mont Yates S	even River	s Queer	1	
* Property	Code			' Property Name 'Well Number					ell Number	
002831				State H					1	
'OGRID	No.			Operator Name					,	Elevation
004537				Citat	ion Oil &	Gas Corp.			2	3604 DF
L		· · ·			10	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from th		Feet from the	East	/West line	County
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		•	¹¹ Bc	ttom Ho	le Location	If Different Fror	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from th	e North/South line	Feet from the	East	/West line	County
					,					
¹² Dedicated Acre	s ¹⁵ Joint o	r Infill " Co	nsolidation (Code ¹⁶ Or	der No.	· · · · ·				

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

NSP-381

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16	5 O	2 0	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Sharon Ward Signature
	6 O	3 • • • • •	Sharon Ward Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	7 O	4 〇 4 4 9	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O		Date of Survey Signature and Seal of Professional Surveyor. EXHIBIT Certificate Number

1. * MEXICO GIL CONSERVATION COMMISON Nuell Location and Acreage Dedication Flat HOBBS OFFICE OCC Section A. Coperator Subl Oil Company Lease Sete H Township 218 Range 35E MMFN Located 660 Feet From east Line Located 660 Feet From east Line Located 660 Feet From east Line Submert 5 Section A for the part below? Yes 2 Momeof Producing Formation on is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes No If answer is "yes," Type of Consolidation J. If the answer to question two is "no," list all the owners and their respective interests below: Owner Land Description This is to certify that the information in Section A dove is true and complete to the best of my knowledge and belief. Representative) Corrator Geginal Signed By R. A. Lowery R. A. LOWERY (Representative) Date Site A considered by the dedicated and belief. This is to certify that the well location shown on the plat in Section B was poletide from field notes of actual surveys and by me or under my supervision and that the surveysed. The section P was poletide from field notes of actual surveys and by me or under my supervision and that the surveysed. The section P was poletide from field notes of actual surveysed by me or under my supervision and that the surveysed. The section P was poletide from field notes of actual surveysed. The section P was poletide from the plat in Section P was poletide from field notes of actual surveysed by me or under my supervision and that the surveysed. The section P was poletide from field Pofessional from east of my knowledge and belief. Deale Size Protessional from east of my knowledge and belief. Deale Size Pofessional from east of my knowledge from field Pofess	r				De	Form C-128 Revised 5/1/57
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3. If the answer to question two is "no," list all the owners and their respective interests below: <u>Owner</u> <u>Land Description</u> <u>His is to certify that the</u> information in Section A above is true and complete to the best of my knowledge and belief. <u>Shell Ol Company</u> (Operator) <u>R. A. Lowery R. A. LOWERY</u> (Representative) <u>Box 845, Romell, New Mexico</u> Address This is to certify that the well location shown on the plat in Section B 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. <u>Box 845, Romell, New Mexico</u> Address This is to certify that the well location shown on the plat in Section B 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 <u>Registered Professional</u> Engineer and/or Land Surveyor.	consolidat "ves." Tvr	ted by communitiza pe of Consolidatio	ation agreement (on	or otherwise? Ye	esNo	If answer is
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This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief. Shell Oil Company (Operator) (Operator) (Representative) Box Bit5, Rosvell, New Mexico Address This is to certify that the well location shown on the well location shown on the well location shown on the 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 Registered Professional Engineer and/or Land Surveyor.				· <u></u>		Ju p
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief. Shell Oil Company (Operator) (Operator) (Representative) Box Bit5, Rosvell, New Mexico Address This is to certify that the well location shown on the well location shown on the well location shown on the 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 Registered Professional Engineer and/or Land Surveyor.				· · · · · · · · · · · · · · · · · · ·		
This is to certify that the information in Section A above is true and complete to the best of my knowledge and belief. Shell Oil Company (Operator) (Operator) (Representative) Box Bit5, Rosvell, New Mexico Address This is to certify that the well location shown on the well location shown on the well location shown on the 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 Registered Professional Engineer and/or Land Surveyor.					·	
information in Section A above is true and complete to the best of my knowledge and belief. Shell Oil Company (Operator) R. A. LOWEEY (Representative) Box 81,5, Roswell, New Mexico Address This is to certify that the well location shown on the plat in Section B 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 Registered Professional Engineer and/or Land Surveyor.	Sec (1011. b		T	1	1	
(Operator) Original Signed By R. A. LOWERY (Representative) Box 845, Roswell, New Mexico Address This is to certify that the well location shown on the plat in Section B 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 Registered Professional Engineer and/or Land Surveyor.					information above is to to the best and belief.	n in Section A rue and complete t of my knowledge
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District I	·				State of New	v Mexico		•	Form C-102
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Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address 6 3 0 0 ЗY· March 23, 2005 0 Date ¹⁸SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat 4 0 7 0 was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true 4Y O and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor: 8 $\overset{1}{\mathbf{O}}$ 0 EXHIB 1Y 990 330 Certificate Number

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330 feet	from the south	line and	9 90 fe	et from the	line
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	· · · · · · · · · · · · · · · · · · ·				
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			EXHIBIT	in SEC plete to belief. Name R. Positio Dis Compan She Date Jun Note: I hereby shown o plotted i surveys supervis	trict Exploitation En y Li Oil Company e 14, 1960 Original Survey Flat on file. certify that the well location n the plat in SECTION B was from field notes of actual made by me or under my sion, and that the same is true ect to the best of my knowledge

District J 1625 N. French Dr., H District II 1301 W. Grand Aven District III	ue, Artesia	, NM 88210	Er	OILCO		Resources Department Revised June 10 ION DIVISION State Lease - 4					
1000 Rio Brazos Rd., District IV	Aztec, NM	8 /410		Santa Fe, NM 87505				FG	- Lease - J	Copies	
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16		660	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is
	Ō	² <u>1260</u> ►	true and complete to the best of my knowledge and belief. Shoron Ward
			Signature Sharon Ward
	6 O	3	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address
		зү О	March 23, 2005 Date
	7 O	4 0	¹⁸ SURVEYOR CERTIFICATION 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
		4Y O	and correct to the best of my belief.
			Date of Survey Signature and Seal of Professional Surveyor.
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NEW MEXICO

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OIL CONSERVATION COMMISSION

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

Statt

Name J. D. Savage Position Division Exploitation Engineer Representing Shell Oil Company Address Box 1957, Hobbs, New Mexico

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OIL CONSERVATION COMMISSION

New Mexico



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GOVERNOR EDWIN L. MECHEM CHAIRMAN

LAND COMMISSIONER E.S.WALKER MEMBER

STATE GEOLOGIST R.R.SPURRIER SECRETARY AND DIRECTOR

P. O. BOX 871 SANTA FE, NEW MEXICO December 30, 1953

Mr. L. E. Slagle Shell Oil Company Box 1957 Hobbs, New Mexico

Dear Sir:

Subject: Unorthodox Location - Shell Oil Company's State H-2, NE/4 Section 13, Township 21 South, Range 35 East -Eumont Gas Pool

File Ervice

Reference is made to your letter of December 10, 1953 pertaining to approval of an unorthodox location for the above captioned well.

This unorthodox location was approved at the time that Dual Completion Order No. R-222 was issued.

Very truly yours, unar R. R. SPURRIE

Secretary and Director

RRS:vc

cc: (1) Well File

- (1) Unorthodox File
- (2) OCC, Hobbs
- (1) Drilling & Exploration Co., Inc., Hobbs
- (1) Continental Oil Company, Hobbs



BEFORE THE OIL CONSERVATION COMMISSION OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE HEARING CALLED BY THE OIL CONSERVATION COMMISSION OF NEW MEXICO FOR THE PURPOSE OF CONSIDERING:

CASE NO. 433 ORDER NO. R-222

THE APPLICATION OF SHELL OIL COMPANY FOR AN ORDER GRANTING PERMISSION TO DUALLY COMPLETE AND PRODUCE ITS SHELL STATE "H" NO. 2 WELL, LOCATED IN THE NE/4 NE/4, SECTION 13, TOWNSHIP 21 SOUTH, RANGE 35 EAST, NMPM, LEA COUNTY, NEW MEXICO, IN THE EUNICE-MONUMENT POOL.

ORDER OF THE COMMISSION

BY THE COMMISSION:

This cause came on for hearing at 9 o'clock a. m. on November 20, 1952, at Santa Fe, New Mexico, before the Oil Conservation Commission, hereinafter referred to as the "Commission".

NOW, on this \mathcal{H} day of December, 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

+h

FINDS:

(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(2) That applicant's Shell State "H", No. 2 Well, NE/4 NE/4, Section 13, Township 21 South, Range 35 East, NMPM, was completed in April, 1937, as an oil well producing from Seven Rivers-Queen formation in the open-hole interval 3800-3925 feet, having drilled through the Yates gas zone at an approximate depth of 3400-3700 feet.

(3) That although recent experiments tend to show that mechanical packers and other devices are ordinarily available for successful dual/multiple completions of oil - gas wells, the Commission is unconvinced of the soundness, as a waste-prevention practice, of such dual/multiple completions as a general practice in New Mexico without specific controls over each such project.

IT IS THEREFORE ORDERED:

That the applicant herein, Shell Oil Company, be, and it hereby is authorized to dually complete and produce its Shell State "H", No. 2 Well, NE/4 NE/4, Section 13, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, in such a manner that gas from the Yates formation may be produced through the annular space between the casing and the tubing, and oil from the Seven Rivers-Queen formation throught the tubing by proper/ perforations and the installation of a proper packer or packers;



Case No. 433 - Order No. R-222 - Page - 2 -

PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well hore, either within or outside the casing of gas, oil and gas, or oil produced from either or both of the separate strata, and.

PROVIDED FURTHER, That said subject well for dual completion and production shall be equipped in such a way that reservoir pressures may be determined separately for each of the two specified strata, and further, be equipped with all necessary connections required to permit recording meters to be installed and used, at any time, as may be required by the Commission or its representatives, in order that natural gas, oil, or oil and gas from each separate stratum may be accurately measured and the gas-oil ratio thereof determined, and,

PROVIDED, FURTHER, That the operator applicant shall make any and all tests, including segregation tests, but not excluding other tests and/or determinations at any convenient time and in such manner as deemed necessary by the Commission; the original and all subsequent tests shall be witnessed by representatives of the Commission and by representatives of offset operators, if any there be, at their election, and the results of each test properly attested to by the applicant herein and all witnesses, and shall be filed with the Commission within ten (10) days after the completion of such test, and,

PROVIDED FURTHER, That upon the actual dual completion of such subject well, applicant shall submit to the Commission a diagrammatic sketch of the mechanical installation which was actually used to complete and produce the seal between the strata, and a special report of production, gas/oil ratio: and reservoir pressure determination of each producing zone or stratum immediately following completion.

IT IS FURTHER ORDERED, That jurisdiction of this cause is hereby retained by the Commission for such further order or orders as may seem necessary or convenient for the prevention of waste and/or protection of correlative rights; upon failure of applicant to comply with any requirement of this order after proper notice and hearing, the Commission may terminate the authority hereby granted and require applicant or its successors and assigns to limit its activities to regular single-zone production in the interests of conservation.

DONE at Santa Fe, New Mexico, on the day and year hereinabove designated.

STATE OF NEW MEXICO OIL CONSERVATION COMMISSION Edwin 1 Mechem Chairman Guy Shepard, Member un R. R. Spurriei Secretary

OIL CONSERVATION DIVISION 2040 South Pachage Street

Santa Fe, New Mexico 87505

(505) 827-7131



NEW MEXICO ENERGY, MINERALS & NATURAL RESOURCES DEPARTMENT

February 13, 1998



Citation Oil & Gas Corporation 8223 Willow Place South - Suite 250 Houston, Texas 77070-5623 Attention: Debra Harris

Administrative Order NSL-3947(SD)

Dear Ms. Harris:

Reference is made to your application dated January 14, 1998, for two additional wells, one of which is considered to be located at an unorthodox gas well location, within an existing non-standard 320-acre gas spacing and proration unit ("GPU") in the Eumont Gas Pool.

Said GPU comprises the E/2 of Section 13, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico, which was authorized by Division Administrative Order NSP-381, dated August 7, 1957 and had dedicated thereon the State "H" Well No. 4 (API No. 30-025-03466), located at a standard gas well location 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 13.

It is our understanding that the two subject wells to be considered in this application are both currently completed as oil wells in deeper horizons and upon issuance of this order will be recompleted up-hole into the Eumont Gas Pool. Pursuant to Rule 2(b)4 of the "General Rules for the Prorated Gas Pools of New Mexico/Special Rules and Regulations for the Eumont Gas Pool," as promulgated by Division Order No. R-8170, as amended, the State "H" Well No. 3-Y (API No. 30-025-03472), located 2310 feet from the North line and 990 feet from the East line (Unit H) of said Section 13 is considered to be a "standard" gas well location for this particular 320-acre unit, however the State "H" Well No. 2 (API No. 30-02503465), located 660 feet from the North line and 1260 feet from the East line (Unit A) of said Section 13 is "unorthodox."

The subject application has been duly filed under the provisions of Rule 104.F of the General Rules and Regulations of the New Mexico Oil Conservation Division and the appropriate provisions of said Special Eumont Gas Pool rules.

By authority granted me under the provisions of Rule 2(d) of said special pool rules for the Eumont Gas Pool and Division General Rule 104.F(2) the above-described unorthodox Eumont gas well location for the State "H" Well No. 3-Y is hereby approved.

Also, you are hereby authorized to simultaneously dedicate Eumont gas production from the State "H" Well Nos. 2 and 3-Y with the State "H" Well No. 4. Furthermore, you are hereby

Administrative Order NSL-3947(SD) Citation Oil & Gas Corporation February 13, 1998 Page 2

permitted to produce the allowable assigned the subject GPU from all three wells in any proportion.

All provisions of said Division Administrative Order NSP-381 shall remain in full force and effect until further notice.

Sincerely,

rotenbery Lori Wrotenberv

Director

LW/MES/kv

cc: New Mexico Oil Conservation Division - Hobbs New Mexico State Land Office - Santa Fe File: NSP-381

DistrictI	State of	New Mexico		Form C-102
1625 N. French Dr., Hobbs, NM 88240	Energy, Minerals & N	latural Resources Den	artment	Revised June 10, 2003
District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410	OIL CONSER 1220 Sout	VATION DIVISIO h St. Francis Dr. Se, NM 87505	Containe to An	Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies
<u>District IV</u> 1220 S. St. Francis Dr., Santa Fe, NM 87505	- Sana 1		AMENDED REPORT	
WE	LL LOCATION AND	ACREAGE DEDI	CATION PLAT	
'API Number	¹ Pool Code		'Pool Name	
30-025-08559	22800	Eumont Yates	Seven Rivers Quee	n
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No.		'Operator Name 'Elevation'							
		Citation Oil & Gas Corp. 3607 D						3607 DF	
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				NSP-381					
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	8 O	1 0 1 0	Date of Survey Signature and Seal of Professional Surveyor. EXTILEIT Certificate Number
	7 O	4 • • •	¹⁸ SURVEYOR CERTIFICATION 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.
	6 🖸	3 1260 3Y O	Sharon Ward Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
16	5 O	1 <u>980</u> ∽ √	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Sharow Ward Signanue

District.
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

Form C-102

		WE	<u>ELL LC</u>	<u>ICATION</u>	I AND ACR	<u>EAGE DEDIC</u>	<u>CATION PLAT</u>	<u> </u>		
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' Property (Code				' Property N	ame			'w	ell Number
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¹² Dedicated Acres	Joint of	r Infill "Con	solidation	Code [#] Ord	er No.	· · · ·	······································		•	
40					NSP-381		•			

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	6 O	3 D 3Y 990	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-smail Address <u>March 23, 2005</u> Date
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	8 O	1 0 0	Date of Survey Signature and Seal of Professional Surveyor. EXHIBIT Certificate Number

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District I		State of	New Mexico	· · · ·		Form C-102
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District II				C.L.	mit to A	Appropriate District Office
1301 W. Grand Avenue, Artesia	, NM 88210	OIL CONSER	VATION DIVISI	UN		State Lease - 4 Copies
District III		1220 Sout	h St. Francis Dr.		·· .	•
1000 Rio Brazos Rd., Aztec, NM	187410	Santa Fe, NM 87505				Fee Lease - 3 Copies
District IV		Salla F	c, mivi 67505		. Г	
1220 S. St. Francis Dr., Santa Fo	e, NM 87505				L	AMENDED REPORT
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Citation 0il & Gas Corp

Feet from the

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NSP-381

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¹⁶ Order No.

Range

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Range

Consolidation Code

¹⁰ Surface Location

¹¹ Bottom Hole Location If Different From Surface

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Section Township

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16			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is
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			Sharon Ward
	 · · · · · · · · · · · · · · · · · · ·		Signature
·			Channes Mars I
	ĺ		Sharon Ward
			Regulatory Administrator
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		31	x 1 00 0005
		Õ	March 23, 2005
· ·	 	4	¹⁸ SURVEYOR CERTIFICATION
		990	I hereby certify that the well location shown on this plat
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	, v	4Y	me or under my supervision, and that the same is true
÷		Ö	and correct to the best of my belief.
			Date of Survey
	· · ·	2310	Signature and Seal of Professional Surveyor.
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			EXHIBIT
		l ĭ	Certificate Number
L		<u> </u>	





SHELL OIL COMPANY

P. O. Box 1957 Hobbs, New Mexico

July 5, 1957

Subject: Application for Exception to Rule 5 (a) Order R-520, Shell State H Lease, Well No. 4, Eumont Gas Pool, Lea County, New Mexico EXHIBIT

New Mexico Oil Conservation Commission P. O. Box 871 Santa Fe, New Mexico

Gentlemen:

Under provisions of Commission Order No. R-520, Rule 5 (b), delegating the Secretary-Director of the Commission authority to grant exception to the requirements of Rule 5 (a) without notice and hearing for a non-standard gas proration unit, Shell Oil Company hereby applies for an exception to the aforementioned Bule for the Shell State H lease and the well Shell State H No. 4, Eumont Gas Pool.

It is requested that the 320-acre Shell State H lease consisting of the E/2of Section 13, T-21-S, R-35-E, Lea County, New Mexico, which at present is designated as two 160-acre gas proration units with the producing gas wells being Shell State H No. 2 and Shell State H No. 4, be designated as a single 320-acre non-standard gas proration unit with the well Shell State H No. 4 to be the producing well for this nonstandard proration unit.

In support of this application the following facts are submitted:

1. Shell State H No. 2 is located 1260 feet from the East line and 660 feet from the North line of Section 13, T-21-S, R-35-E and was originally completed as an oil well in April, 1937, flowing 350 BOPD from the open hole interval 3800-3925 feet.

2. An application to recomplete State H No. 2 as a gas-oil dual was approved by the Commission on December 4, 1952.

3. Subsequently the dual completion operation was completed on May 15, 1953, with the gross Eumont gas zone producing interval being 3265 to 3670 feet. On potential test the well flowed at the rate of 1400 MCFGPD and was assigned a 160-acre gas allowable.

4. Shell State H No. 4 is located 990 feet from the East line and 1980 feet from the South line of Section 13, T-21-S, R-35-E and was originally completed as an oil well in September, 1938, flowing 825 BOPD from the open hole interval 3767-3907 feet.

5. An application to recomplete State H No. 4 as a gas-oil dual was approved by the Commission on March 7, 1953. Subsequently the dual completion operation was completed on January 12, 1954, with the gross Eumont gas zone producing interval being 3320 to 3542 feet. On potential test the well flowed at the calculated rate of 5800 MCFGPD and was assigned a 160-acre allowable.

6. On January 1, 1957, Shell Oil Company completed State H No. 4-A as a replacement oil well for State H No. 4.

In view of the existence of the facts herein stated and compliance with the provisions of Rule 5 (b) of the Oil Conservation Commission Order No. R-520, Shell Oil Company requests that the Secretary of the Commission approve the above described non-standard gas proration unit.

Respectfully submitted,

SHELL OIL COMPANY

W. E. Owen) Division Production Manager

AKP:WMB

Attachments

<u>AFFIDAVIT</u>

Before me, the undersigned authority, on this day personally appeared <u>W. E.</u> <u>Owen</u>, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on eath, states that he is employed by or associated with Shell Oil Company in the capacity of Division Production Manager, and that the above statements are true and correct.

6.01 acribed to before me on this the Jul day of rn and su 1957. Notary Public in and for Lea County, New Mexico

GOVERNOR EDWIN L. MECHEM CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

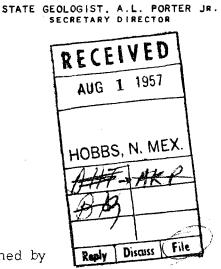
LAND COMMISSIONER. MURRAY E. MORGAN MEMBER



P. O. BOX 871 SANTA FE, NEW MEXICO

July 25, 1957

Shell Gil Company P. C. Box 1957 Hobbs, New Mexico



Re: Cancellation of DC established by Order R-271

Attention: Mr. W. E. Owen

Gentlemen:

Reference is made to your Form C-103 dated April 1, 1957, in which the oil completion was abandoned in your State "H" Well No. 4, located in the NE/4 SE/4 of Section 13, Township 21 South, Range 35 East, Eumont Gas Pool. This well is now only a single completion as a gas well in the Eumont Gas Pool. Other records indicate that you drilled your well No. 4A in the same unit as an oil well in the Eumont Gas Pool to replace the prior oil completion in Well No. 4 in the Eumont Gas Pool.

This is to notify you that the dual completion of Well No. 4 established by Order R-271 issued February 27, 1953 is cancelled as of this date.

The basis for this cancellation is the recompletion of Well No. 4 as a single gas well in the Eumont Gas Pool and the drilling of Well No. 4A as a new oil well in the same unit in the Eumont Gas Pool to replace the oil completion in Well No. 4.

Yours very truly,

A. L. PORTER, Jr. Secretary-Director

WWM: omg

cc: Oil Conservation Commission - Hobbs
New Mexico Oil & Gas Engineering Committee - Hobbs
El Paso Natural Gas - Jal
Phillips Petroleum Co., P. O. Box 66, Eunice, N. Mex.

GOVERNOR EDWIN L. MECHEM CHAIRMAN

New Mexico

OIL CONSERVATION COMMISSION

LAND COMMISSIONER. MURRAY E. MORGAN MEMBER



P. O. BOX 871 SANTA FE, NEW MEXICO

August 7, 1957

Shell Oil Company P. O. Box 1957 Hobbs, New Mexico

Administrative Order NSP-381

Attention: Mr. W. E. Owen

Gentlemen:

Reference is made to your application for approval of a 320-acre non-standard gas proration unit in the Eumont Gas Pool consisting of the following acreage:

Township 21 South, Range 35 East E/2 of Section 13

It is understood that this unit is to be ascribed to your State "H" Well No. 4, located 1980 feet from the South line and 990 feet from the East line and in the NE/4 SE/4 of Section 13, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico.

By authority granted me under provisions of Rule 5, Section (b)-6 of the Special Rules and Regulations for the Eumont Gas Pool, as set forth in Order R-520, you are hereby authorized to operate the above described acreage as a non-standard gas proration unit, with allowable to be assigned thereto in accordance with Rule 8 of the pool rules, based upon the unit size of 320 acres effective September 1, 1957. The 160 acre gas allowable for Well No. 2 in the Eumont Gas Pool is cancelled as of September 1, 1957 and the net status of Well No. 2 will be assumed by Well No. 4 on that date.

Very truly yours,

PORTER, Α. Secretary-Director

WWM:omg cc: Oil Conservation Commission - Hobbs New Mexico Oil & Gas Engr. Comm., Hobbs El Paso Natural Gas - Jal El Paso Natural Gas - El Paso New Mexico State Land Office (Mrs. Rhea) STATE GEOLOGIST, A.L. PORTER JR SECRETARY DIRECTOR

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District I	· ·				State of Nev	v Mexico		Form C-102			
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1220 S. St. Francis	Dr., Santa F	ta Fe, NM 87505							ENDED REPORT		
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¹² Dedicated Acres	" Joint or	Infill "	Consolidation	Code ¹⁶ O	rder No.				
40					NSP-381				

16	5 O	2 O	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. <u>Sharon Ward</u> Signature
	6 O	з Э Э О	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	7 O	4 • • • • • • • • • • • •	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O		Date of Survey Signature and Seal of Professional Surveyor: EXHIBIT Certificate Number

		-	1	NEW MEXIC	0					
· (4Y)	•			SERVATION						
U		Form C-128 Well Location and/or Gas Proration Plat								
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SCALE:1"=1000' 1. Is this Well a Dual Comp.? Yes No # .

2. If the answer to Question 1 is yes, are there any other dually completed wells within the

 dedicated acreace? Y/s _____
 No______

 Name ______
 I. Levill

 Position ______
 Division Implementation fraineer

 Representing ______
 Ibell 011 formaty

 Address ______
 Box 1757, Rebte, New Manice

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Date Surveyed Registered Professional Engineer and/or

Land Surveyor

District III 1000 Rio Brazos Rd District IV	enue, Artesiz L. Aztec, NM	Mobbs, NM 88240 Energy, Minerals & Natural Resources Department Revised Jun ue, Artesia, NM 88210 OIL CONSERVATION DIVISION Submit to Appropriate Dis Aztec, NM 87410 1220 South St. Francis Dr. Fee Lease Santa Fe, NM 87505				Form C-102 sed June 10, 2003 ate District Office Lease - 4 Copies Lease - 3 Copies NDED REPORT						
WELL LOCATION AND ACREAGE DEDICATION PLAT									·			
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District I 1625 N. French Dr., District II 1301 W. Grand Ave District III 1000 Rio Brazos Ro District IV 1220 S. St. Francis	enue, Artesi: L., Aztec, NN	a, NM 88210 1 87410	ч. 	ergy, Min OIL CO		Resources Depar ION DIVISION Francis Dr.		ubmit to A	Appropria State Fee	Form C-102 sed June 10, 2003 ate District Office Lease - 4 Copies Lease - 3 Copies NDED REPORT
		r	WELL LC	CATIO	N AND ACR	EAGE DEDIC	ATION PLA	Τ		
'API Number 'Pool Code						' Pool Na	me			
30-025-0	3468			22800	Eu	mont Yates S	ont Yates Seven Rivers Queen			
⁴ Property C	Code				* Property !			'v	Well Number	
002831				Stat	e H		· .			6
'OGRID N	No.				'Operator !	Name			,	'Elevation
004537			. <u>.</u>	Citat	ion Oil &	Gas Corp.	·			3594 DF
					¹⁰ Surface	Location				
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County
G	13	215	35E		1980	North	2310	East	t i	Lea
· ·			¹¹ Bo	ottom Ho	le Location I	f Different From	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East	/West line	County
¹² Dedicated Acres	" Joint o	r Infill 4	Consolidation	Code "Or	der No.	· · · ·		<u></u>		
40	ł				NSP-381		•			

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

16	1980 O 4	2 O	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Shoron Ward
	6 <u>2310</u>	з О ЗҮ О	<u>Sharon Ward</u> Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
	⁷ O	4 0 4 4 7 0	¹⁸ SURVEYOR CERTIFICATION 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.
	8 O	1 0 1 0	Date of Survey Signature and Seal of Professional Surveyor. EXHIBIT Certificate Number

. •

1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District Ill 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr.

Santa Fe, NM 87505

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

☐ AMENDED REPORT

		VV1		CATION	ANDACK	EAGE DEDIC	AIIONILA	1		
'A)	PI Number	• .	1	² Pool Code		' Pool Name				
30-025-03	469			22800	Eut	nont Yates S	even Rivers	Queen		
⁴ Property Co	ode				' Property N	ame	,	· · · ·	Well Number	
002831				State	H ·		· · ·		7	
'OGRID N	0.		Operator Name						'Elevation	
004537					3595 DF					
004537 Citation Oil & Gas Corp. 3595 DF ¹⁰ Surface Location										
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
J	13	215	35E		1980	South	1980	East	Lea	
		•	¹¹ Bo	ottom Hole	e Location If	Different Fror	n Surface			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County	
¹² Dedicated Acres	" Joint or	Infill "Con	solidation (Code ¹⁶ Orde	r No.			· ·	· · · · · · · · · · · · · · · · · · ·	
40					NSP-381		· · · · · · · · · · · · · · · · · · ·			

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

	5 O	2 0	true and complete to the best of my knowledge and belief. Sharon Ward Printed Name Regulatory Administrator
	Ô	3 0 3Y 0	
	7 •	4 • • • • • •	¹⁸ SURVEYOR CERTIFICATION 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.
	9		Date of Survey Signature and Seal of Professional Surveyor.
	1980 8		EXHIBIT Certificate Number

District I

District.I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV. 1220 S. St. Francis Dr., Santa Fe, NM 87505

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Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

Form C-102

	•	W	ELL LC	OCATIO	N AND ACR	EAGE DEDIC	CATION PLA	Τ		
'A	PI Number			² Pool Code			' Pool Nan	ne		
30-025-03	470			22800	Eu	mont Yates S	Seven Rivers	s Queer	a	
Property Co	ode				' Property N	lame			ʻv	Vell Number
002831				Stat	еH					8
⁷ OGRID N	0.				'Operator !	Name				Elevation
004537			·	Citat	ion Oil &					3607 DF
					¹⁰ Surface 1	Location				
UL or lot no.	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East	/West line	County
.0	13	215	35E		660	South	1650	East	t	Lea
			¹¹ Bo	ottom Ho	le Location If	Different Fro	m Surface			
UL or lot no.	Section	Township	Range	Lot Idn		North/South line		East	/West line	County
			, I	1						:
¹² Dedicated Acres	" Joint or	Infill "Co	nsolidation	Code "Or	der No.	· · · ·				
40					NSP-381					·

	8 • 165 99 99	υ – ¹ Ο Ο	Date of Survey Signature and Seal of Professional Surveyor: EXHIBIT Certificate Number
	7 O	4 0 4Y 0	¹⁸ SURVEYOR CERTIFICATION 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.
	6 ©	з О ЗУ О	Sharon Ward Printed Name Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date
16	5 O	2 O	¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature

Citation OIL & GAS COPP.

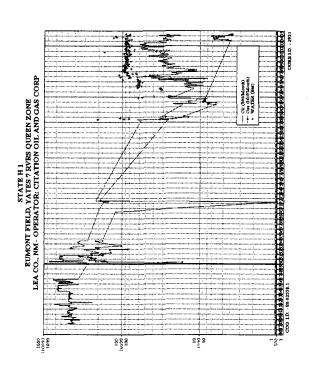
Citation Eumont 5/2005 Production

New Mexico Field Names and Numbers 22800 EUMONT;YATES-7 RVRS-QUEEN (OIL) 76480 EUMONT;YATES-7 RVRS-QUEEN (PRO GAS) 23000 EUNICE MONUMENT;GRAYBURG-SAN ANDRES Data for Field from 5/2005 COG NM Form C-115

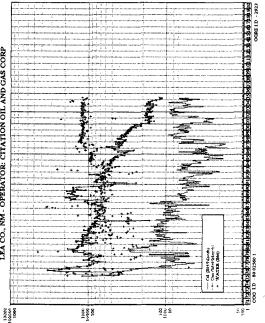
Date	Pulled Notes	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005	7/21/2005 Subject of New Application	7/21/2005 Planned for Recompletion
Days	0n	31	31	31	31	31	31	31	0	31	31	0
	Water BWPM	90	150	120	360	602	240	180	0	30	30	0
	GOR	14,074	12,891	21,696	14,928	7,364	9,370	8,444	1	926	44,074	ł
	Gas MCFPM	380	109	1215	1239	405	253	228	0	25	1190	0
· ·	Oil BOPM	27	55	56	83	55	27	27	0	27	27	0
	Status											
Internal Well	Type	PR	PR	PR	PR	PR	PR	PR	SR	PR	PR	SR
Field and	Pool#	22800	22800	22800	22800	22800	22800	22800	22800	22800	76480	22800
	WellName	6/1/2005 80.02558.1 STATE H 1	STATE H 1Y	STATE H 2	STATE H 3Y	STATE H 4Y	STATE H 5	STATE H 6	STATE H 7	STATE H 8	STATE H 4	STATE H 3
COG	WellID	0.02558.1	/1/2005 80.02559.1	1/1/2005 80.02560.1	/1/2005 80.02561.1	/1/2005 80.02562.1	6/1/2005 80.02563.1	//1/2005 80.02564.1	5/1/2005 80.02565.1	1/1/2005 80.02566.1	/1/2005 80.02567.1	6/1/2005 80.03516.1
Month of	Prod.	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8	5/1/2005 8

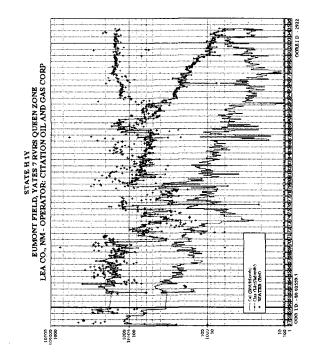


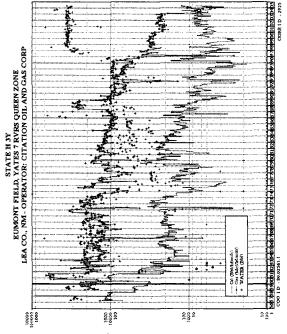


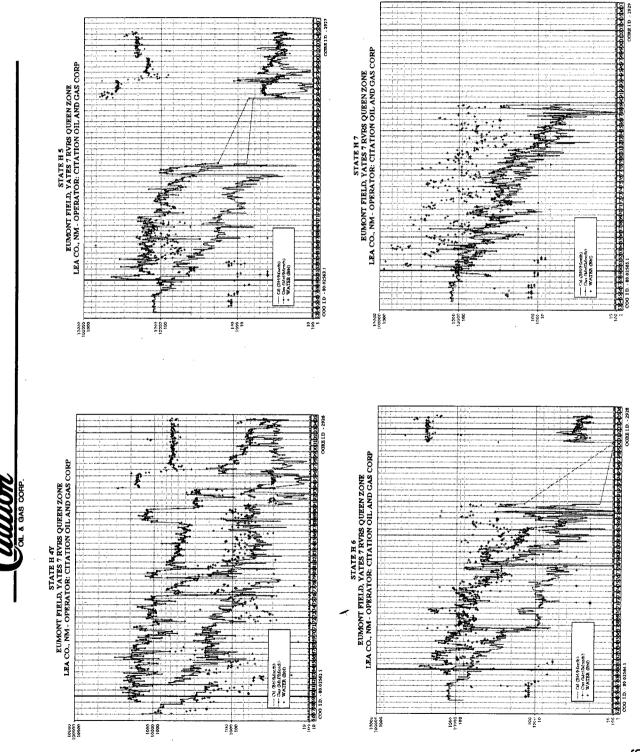












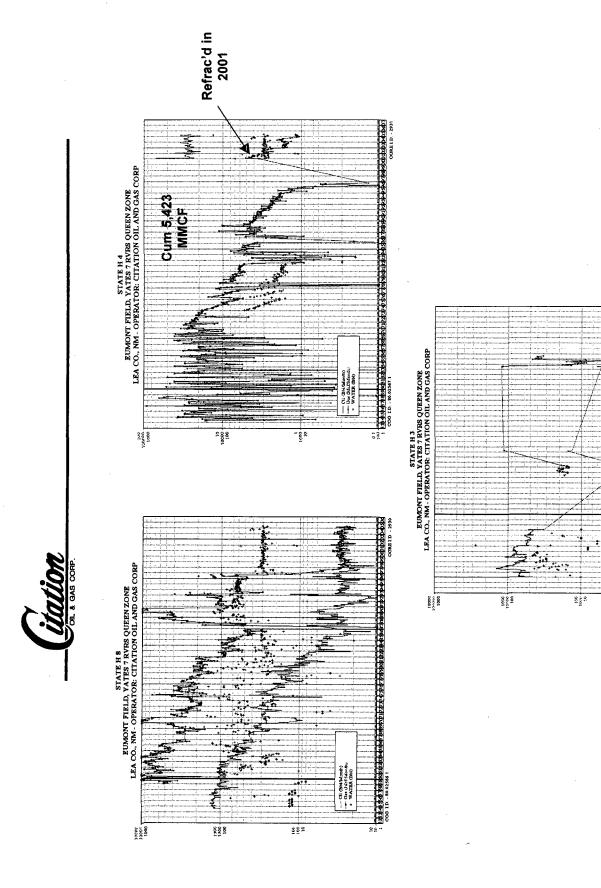
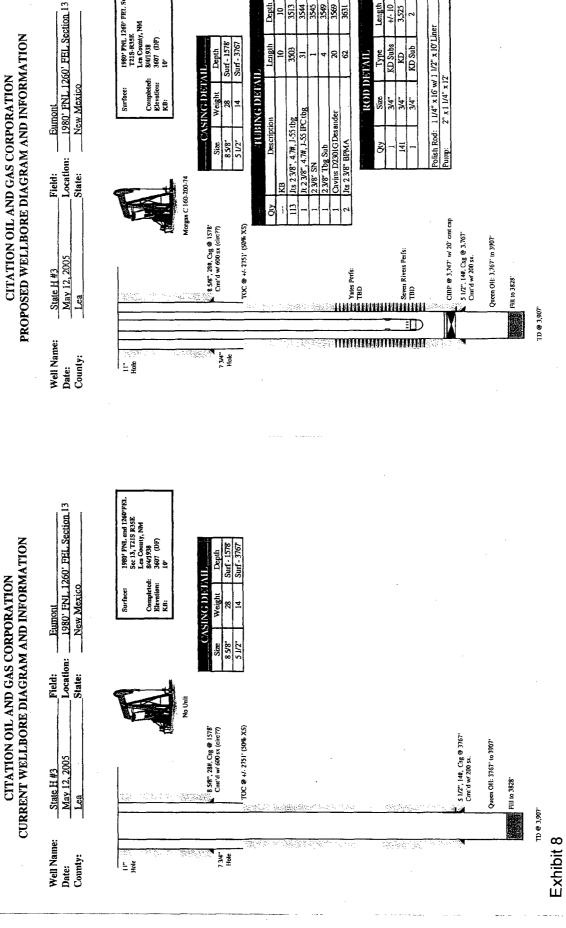


Exhibit 7



H3 – Shut-in Prior to Workover

CITATION OIL AND GAS CORPORATION CURRENT WELLBORE DIAGRAM AND INFORMATION



Depth

Length

32

Depth Surf - 1578 Surf - 3767

g

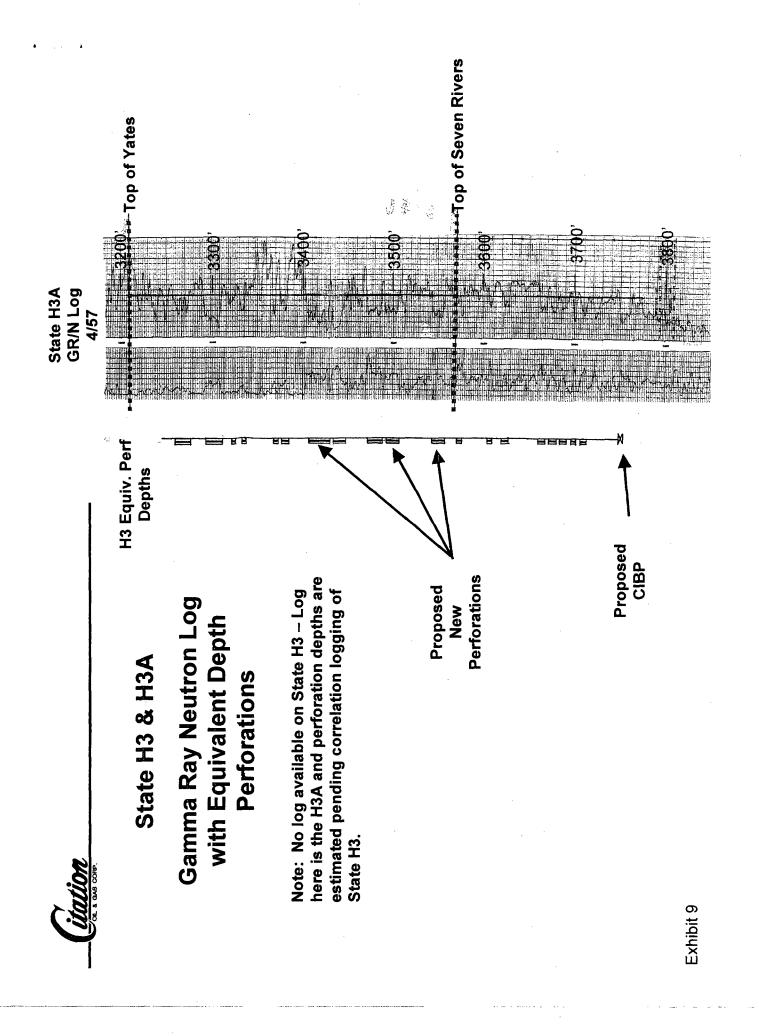
Length

Type

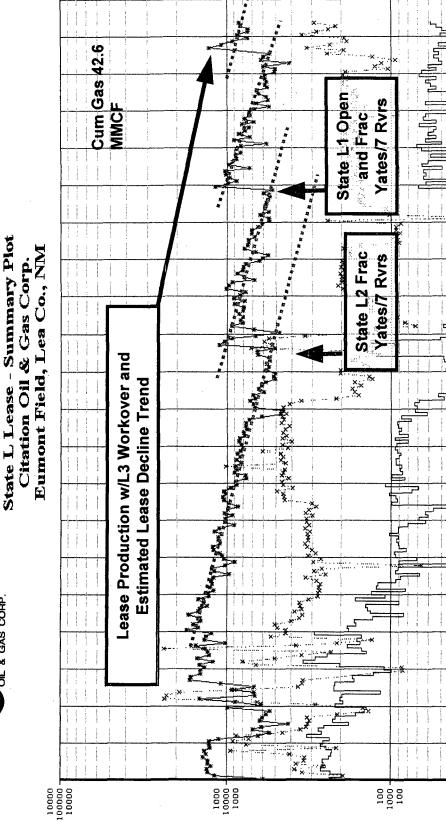
KD Subs KD Sub

H3 – Proposed Production Configuration

1980' FNL 1260' FFL Section 13, T215-R54E Lan County, NM 84(1938 84(1938 107 (1)F)



Utation OIL & GAS CORP.



OGRE I.D. - 3227 <u></u>

-

COG 1.D. - 80.02858.1

---- Oil (Bbl/Month) -*-- Gas (Mcf/Month) -*-- Water (Units/Month)

DATE: 07/15/05

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Utation on a corp.

24 hrs Pmp'd 1 BO, 4 BW, 326 MCF, FAP - N/A, TP = 200#, CP = 11# , BLWTR = Note: \$6,000 added for moving & setting pumping unit, wrist pin repair & pumping 24 hrs Pmp'd 0 BO, 0 BW, <mark>167 MCF, FL @ 86 JFS, FAP - 798', TP = 110#</mark>, CP = 18# , BLWTR = 1239 (<u>Comp dn 16 hrs - wtr temp</u>) 24 hrs Pmp'd 0 BO, 2 BW 319 MCF FAP = 221' (foam?), TP = 200#, CP = 11# 24 hrs Pmp'd 0.5 B0, 5 BW 313 MCF FAP - 310' (foam), TP = 200#, CP = 7# , 100 % AFE Cost: \$295,000 .ease Production: 10 BO, 250 BW, 303 MCF (Comp dn 16 hrs - wtr temp) 107 PBTD: PBTD: PBTD: AFE#: 040355 CapBudget# STATUS: A COG WI: Ä Ä Ë **Morning Reports with Estimated** Lease Production: 16 BO, 272 BW, 589 MCF -ease Production: 17 BO, 273 BW, 580 MCF Lease Production: 17 BO, 270 BW, 582 MCF Present Operation: Pumping to battery CC: \$335,620 CC: \$335,620 CC: \$335,620 **Gas Rates** BLWTR = 1248 BLWTR = 1239 DC: \$0 00: **\$**1 DC: \$0 8/24/04 8/25/04 8/26/04 3/23/04 1244 Day: 28 / 25 / 26 / Day: 27 / Day: . Day: -EA COUNTY, NM EUMONT FIELD 8/24/2004 OAP and Frac 8/25/2004 8/26/2004 8/27/2004 STATEL 3 WTA

Note: \$6,000 added for moving & setting pumping unit, wrist pin repair & p unit base. DC: \$6,000 CC: \$341,620 TD: PBTD:

Exhibit 11.



State L3 - Recompletion to Yates/7 Rvrs Estimated Potential Reserves

Remaining Reserve = Q = - 365 X (qi - qf) / ln (1 - D) 42,632 MCF 8/2004 to 5/2005 15% per Annum 105 MCFPD 7 MCFPD qi = Initial Rate per Day qf = Final Rate per Day Est. Economic Est. Decline = Cum Production = Limit = Initial Rate =

D = Decline Rate (fraction)

263,320 MCF 220,688 MCF Estimated Ultimate = **8**

uuuun	
OIL & GAS CORP.	
<u>Reserve Adds from Recompletion and/or Stimulation of L2 and L1</u>	After L1 Work was Complete (from Lease Production Plot) :
From Lease Production History Prior to L2 Work (9/96)	Remaining Reserves Prior to L1
Initial Rate = 181 MCFPD	Qa = 403,958 MCF
Est. Economic Limit = 14 MCFPD Est. Decline = 16% per Annum	Cum Prod from 12/2000 to 8/2004 (L3 Work): Ca = 321,980 MCF
Remaining Reserve = Q = - 365 X (qi - qf) / In (1 - D)	Initial Rate = 181 MCFPD Est Economic 14 MCFPD
Qa = 349,606 MCF - Remaining Lease Reserve PRIOR to L2 Work	3 f
After L2 Work was Complete (from Lease Production Plot) :	Remaining Reserve = Q = - 365 X (qi - qf) / ln (1 - D)
Cum Prod from 9/96 to 12/2000 (L1 Work): Ca = 374,900 MCF	Qb= 307,009 MCF - Remaining Lease Reserve PRIOR to L1 Work
Initial Rate = 181 MCFPD	Change in Reserves from Work on L1 in 2000:
Est Dodino = 14 MCFPD	Delta Q = (Qb + Ca) - Qa
	Therefore, Delta Q = <u>225,030</u> MCF (from L1 Work)
Remaining Reserve = Q = - 365 X (qi - qf) / ln (1 - D)	
Qb= 403,958 MCF - Remaining Lease Reserve	Summary of Gross Gas Reserve Additions.
Change in Reserves from Work on L2 in 1996:	Reserves Auded by State L1 Open Yates & 7
Delta Q = (Qb + Ca) - Qa	Rivers/Queen – 225 MMCF
Therefore, Delta Q = $\frac{429,252}{22}$ MCF (from L2 Work) R6	Reserves Added by State L3 Open Yates & 7
Exhibit 13	Rivers/Queen – 263 MMCF



State H3 - Recompletion to Yates/7 Rvrs Estimated Potential Reserves

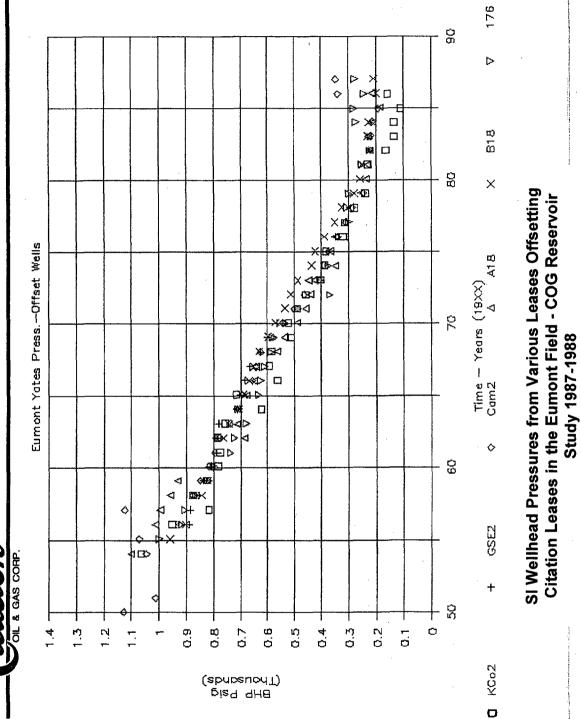
Remaining Reserve = Q = -365 X (qi - qf) / ln (1 - D) 15% per Annum qf = Final Rate per Day D = Decline Rate (fraction) 7 MCFPD 120 MCFPD qi = Initial Rate per Day Est. Economic Initial Rate Limit = Est. Decline =

253,786 MCF ш С

90 9/21/2000 - BHP Est. 25 psig 9/12/2001 - BHP Est. 25 psig Recent Pressure Data – Est. DS1 \triangleright from 24 Hour Surf. SI State A2 BHP **History Line** Â Pressures Þ С Ш **M**4 × \times Þ \triangleright Eumont Average Yates Pressures Þ – Ye<u>qrs (19XX</u>) P State H4 BHP **History Line** α Δ ζ I - Time -Ж State L2 BHP ٥ **History Line** + ∓<u>₽</u> ⊳ θÛ 9 4 GAS CORF + 20 + 0 <u>4</u>2 0.5 Ð.J ť. Ņ 0.9 0.8 0.7 0.6 4.0 0.2 6 4 ----

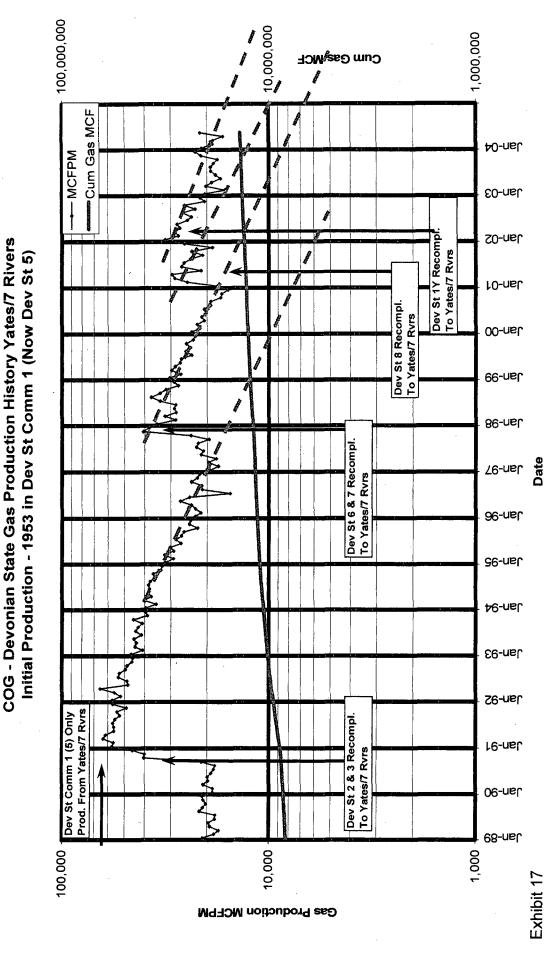
(spupenoy1) BH5 5819

SI Wellhead Pressures from Various Citation Leases in the Eumont Field - COG Reservoir Study 1987-1988



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Citation and comp.



Note that, after each drainage point addition, the extrapolation (green dashed lines) of the production trends show a significant increase in gas reserves from the lease as a result of the work.

6 A y 6

EXHIBIT 19

OFFSET OPERATOR NOTICE LIST

Amerada Hess Corp. P. O. Box 2040 Houston, TX 77252-2040

BP America Production Company P. O. Box 22048 Tulsa, OK 74121

Harvard Petroleum Corporation P. O. Box 936 Roswell, NM 88202-0936

Momentum Operating Co. Inc. 224 South Main Albany, TX 76430

XTO Energy, Inc. 3000 North Garfield Suite 175 Midland, TX 76430