

ABOVE THIS LINE FOR DIVISION USE ONLY

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] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
[DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
[PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
[WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
[SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
[EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

2005 SEP 28 PM 1:39

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication  
☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement  
☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery  
☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify Well Poreosity 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.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

KELLAHIN & KELLAHIN  
Attorneys At Law  
P.O. Box 2265  
Santa Fe, NM 87504-2265

Date

9/28/05

**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

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

September 28, 2004

2005 SEP 28 PM 1 39

**HAND DELIVERED**

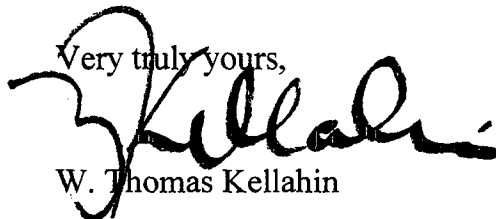
Mr. Michael E. Stogner  
Administrative Judge  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

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 re-completed 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 yours,



W. Thomas 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, 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

NSL-3947

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: *by letter dated 6-28-1938*
  - 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~~ *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**

*NSL-3947*

(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.

*NSA-381*

*NSL-3947*

- 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**)

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. 1-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

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

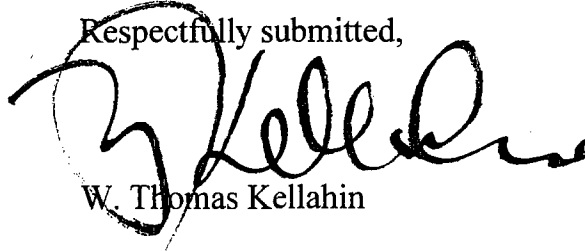
- i. **See Engineering Exhibit 4 through Exhibit 17**



### 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,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over a circular stamp. The signature is fluid and cursive.

W. Thomas Kellahin

Cc: Citation Oil & Gas Corp.

Attn: Charlie Adams (PE)



## Location Map

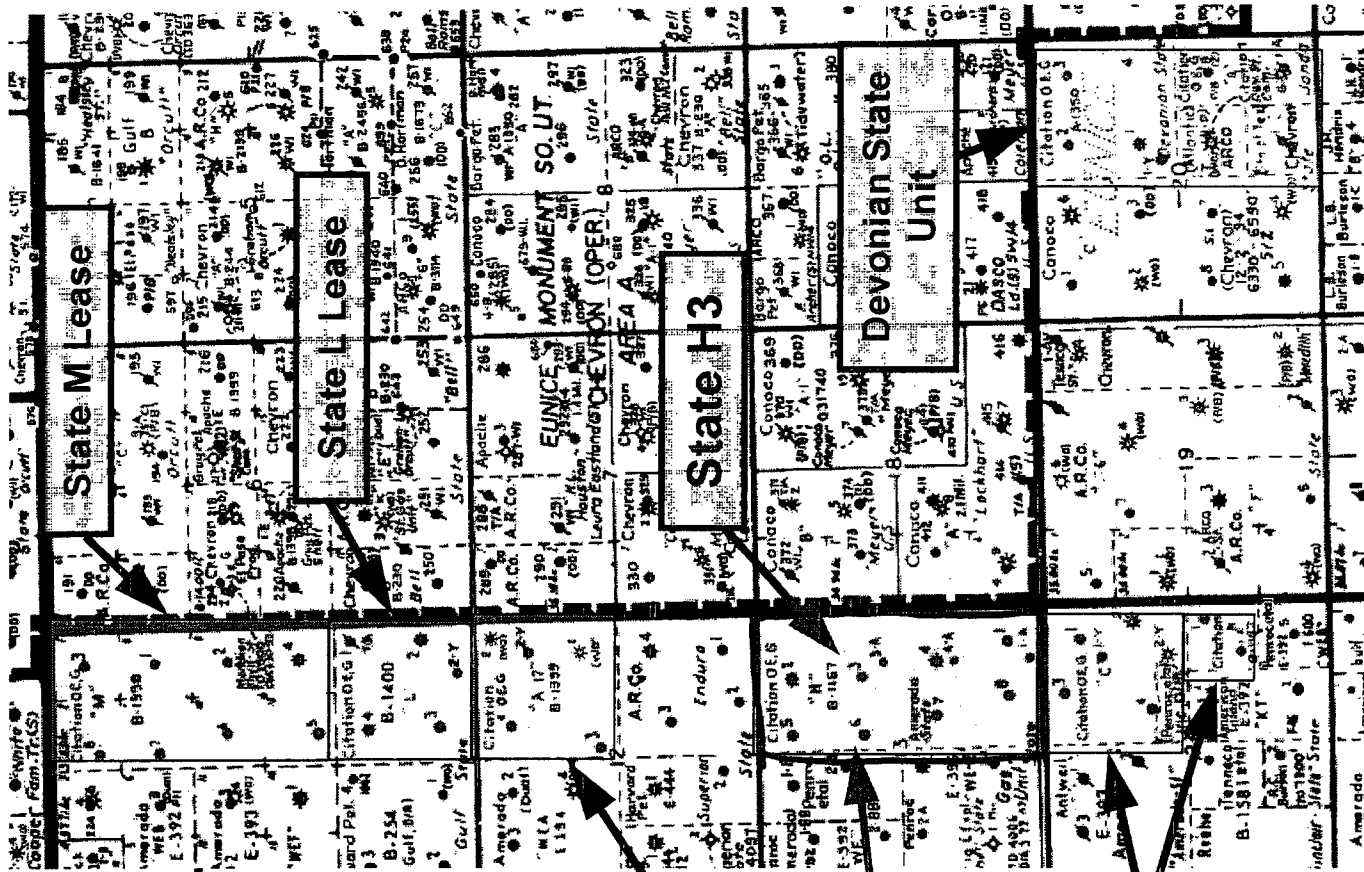
Citation Leases and State H Lease  
Located in E/2 Sec. 13 T35E R21S

Lea County, New Mexico

State A Lease

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

Former  
Citation State  
C & N Leases -  
Sold









EXHIBIT

A



# Eumont Map Showing Well Status

-  Active Gas Wells -  
Eumont Pool  
(YATES-7 RVRs-  
QUEEN (PRO GAS))
-  Inactive Gas Wells
-  Active Oil Wells
-  Inactive Oil Wells
-  P&A'd Oil Wells
-  Injection Wells

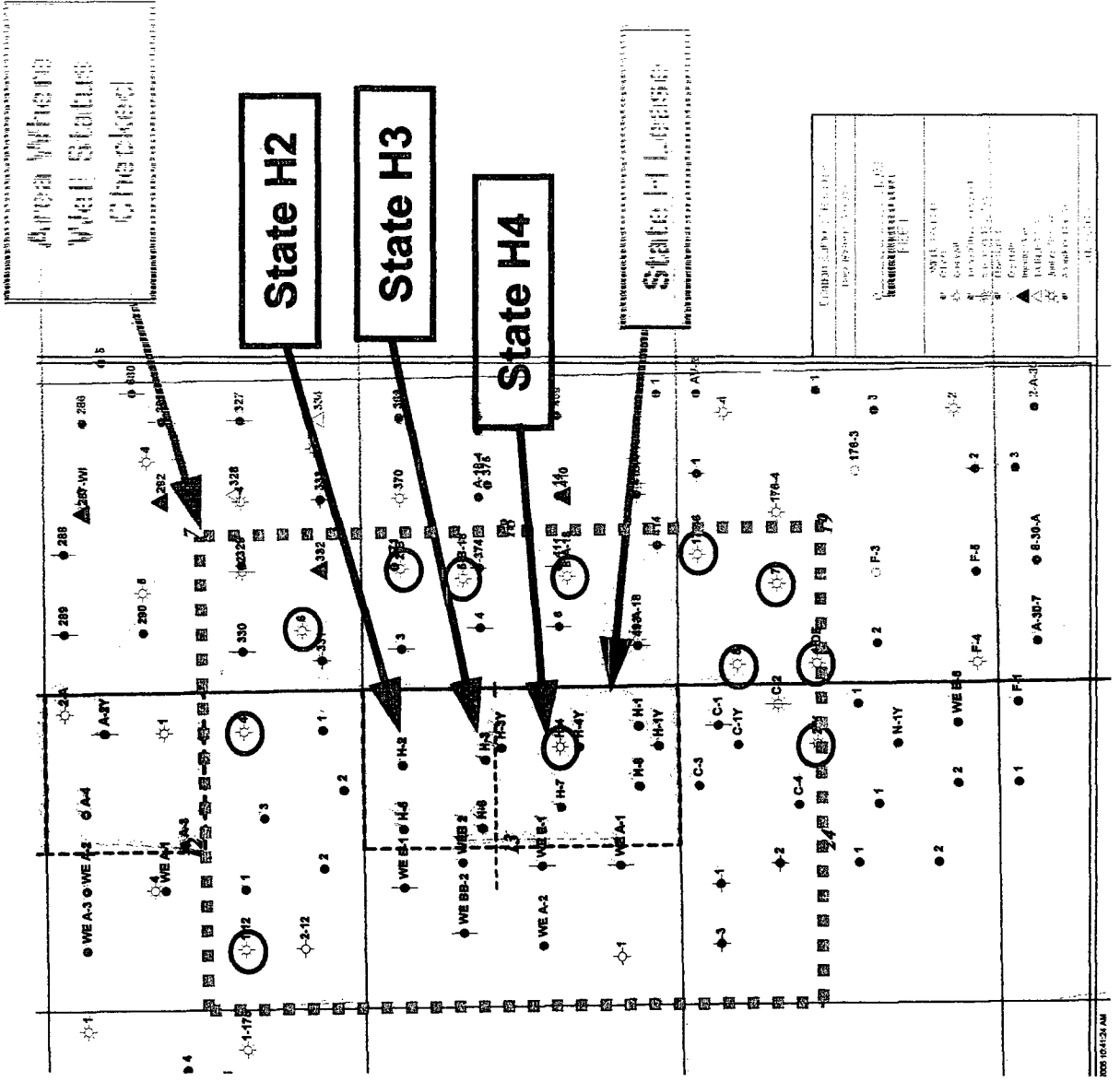


EXHIBIT  
B

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**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Eumont Yates Seven Rivers Queen	
<sup>4</sup> Property Code 002831		<sup>5</sup> Property Name State H			<sup>6</sup> Well Number
<sup>7</sup> OGRID No. 004537		<sup>8</sup> Operator Name Citation Oil & Gas Corp.			<sup>9</sup> Elevation

<sup>10</sup> 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	21S	35E						Lea

<sup>11</sup> Bottom Hole 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. 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

<sup>16</sup>	<sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.   Signature Sharon Ward Printed Name Regulatory Administrator Title and E-mail Address sward@cogc.com Date March 23, 05	
	<sup>18</sup> 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.  Date of Survey Signature and Seal of Professional Surveyor:	
	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

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 30-025- 08558		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I	Property Name State H			Well Number 1	
OGRID No. 004537	Operator Name Citation Oil & Gas Corp.			Elevation 3604 DF	

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	21S	35E		660	South	660	East	Lea

<sup>11</sup> Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSP-381
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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

16				5 ○	2 ○
				6 ○	3 ○
					3Y ○
				7 ○	4 ○
					4Y ○
				8 ○	
					1 ○
				1Y ○	660 ↓ 660

<sup>17</sup> 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  
Sharon Ward  
Printed Name  
Regulatory Administrator  
sward@cogc.com  
Title and E-mail Address  
March 23, 2005  
Date

<sup>18</sup> 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.  
Date of Survey  
Signature and Seal of Professional Surveyor:  
Certificate Number

**EXHIBIT**  
D

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

HOBBS OFFICE OCC

Section A.

Date January 27, 1960  
1960 FEB 1 AM 7:32

Operator Shell Oil Company ✓ Lease State H  
Well No. 1 Unit Letter P Section 13 Township 21S Range 35E NMPM  
Located 660 Feet From south Line, 660 Feet From east Line  
County Lea G. L. Elevation 3599 Dedicated Acreage 10 Acres  
Name of Producing Formation Seven Rivers Pool Amont

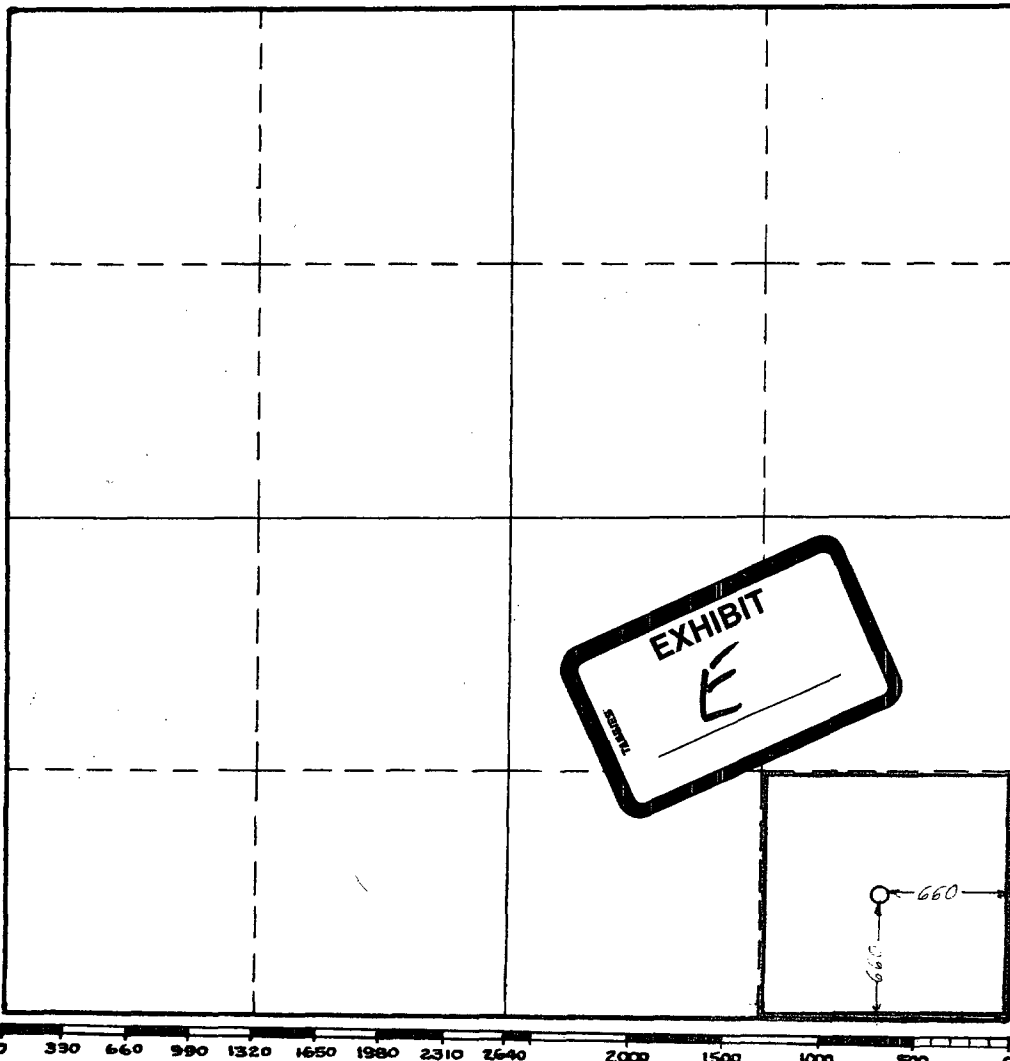
1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes X No       .
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes        No       . If answer is "yes," Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

*Copy to  
State Land Office  
2-1-60  
dly*

Section B



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)

Original Signed By

R. A. Lowery 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.

Certificate No.

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  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-03471		2 Pool Code 22800		3 Pool Name Eumont Yates Seven Rivers Queen	
4 Property Code 00283I		5 Property Name State H			6 Well Number 1Y
7 OGRID No. 004537		8 Operator Name Citation Oil & Gas Corp.			9 Elevation 3618 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
P	13	21S	35E		330	South	990	East	Lea

**11 Bottom Hole 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 40	13 Joint or Infill	14 Consolidation Code	15 Order No. 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	2	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Sharon Ward</u> Signature <u>Sharon Ward</u> Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address <u>March 23, 2005</u> Date
				6	3	
				7	4	18 SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number
				8	1	
					1Y 330 990	



(14)

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator <b>Shell Oil Company</b>		Lease <b>State H</b>		Well No. <b>11A</b>	
Unit Letter <b>P</b>	Section <b>13</b>	Township <b>21S</b>	Range <b>37E</b>	County <b>Lea</b>	
Actual Footage Location of Well: <b>330</b> feet from the <b>south</b> line and <b>990</b> feet from the <b>east</b> line					
Ground Level Elev. <b>3607'</b>	Producing Formation <b>Seven Rivers</b>		Pool <b>Amont</b>	Dedicated Acreage: <b>40</b> Acres	

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES **X** NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one 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 \_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B


EXHIBIT **G**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0

CERTIFICATION

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

Original signed By

Name **R. A. Lowery**  
Position **District Exploitation Engr.**  
Company **Shell Oil Company**  
Date **June 14, 1960**

Note: Original Survey Plat on file.

I hereby 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.

Copy to State  
Land Office  
6-17-60 dly

Date Surveyed **3-13-57**  
Registered Professional Engineer and/or Land Surveyor  
**Neal D. Shepard**  
Certificate No. **1467**





NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

Date 10-27-53

Shell Oil Company

State H

2

Operator

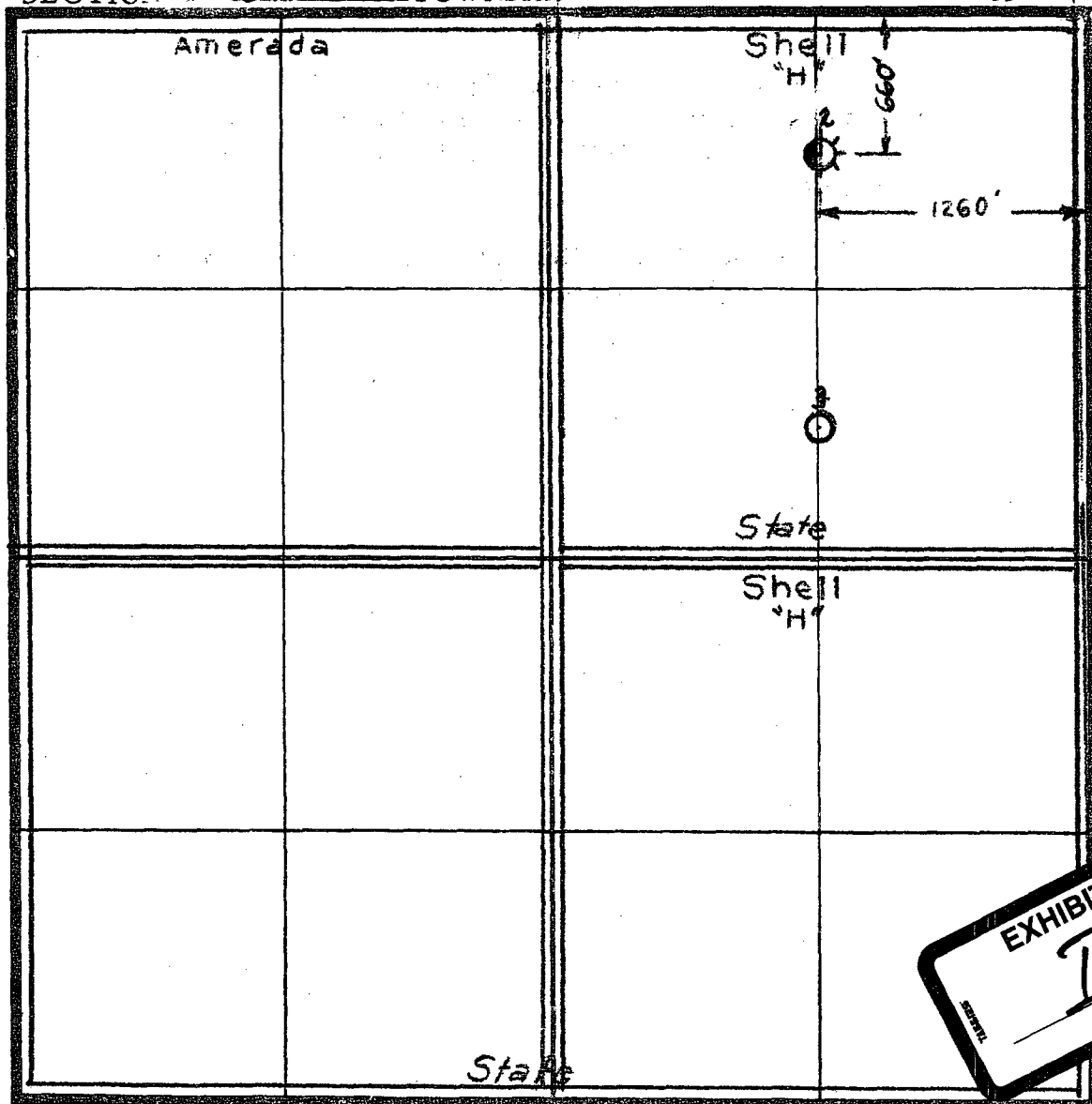
Lease

Well No.

Name of Producing Formation Yates Pool Fumont

No. Acres Dedicated to the Well 160

SECTION 13 TOWNSHIP 21-S RANGE 35-E



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

ORIGINAL SIGNED BY  
J. D. SAVAGE

Name J. D. Savage

Position Division Exploitation Engineer

Representing Shell Oil Company

Address Box 1957, Hobbs, New Mexico

(over)

New Mexico  
OIL CONSERVATION COMMISSION

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

~~H.E.S.~~  
~~F.R.N.~~  
~~B.N.B.~~  
~~FILE~~  
K.W.R.K.

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

File Eumont

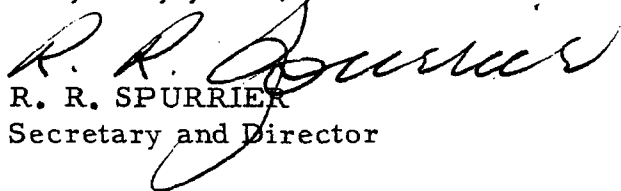
Dear Sir:

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

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 Com-  
pletion Order No. R-222 was issued.

Very truly yours,

  
R. R. SPURRIER  
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 DUALY 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 <sup>th</sup> 4 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:

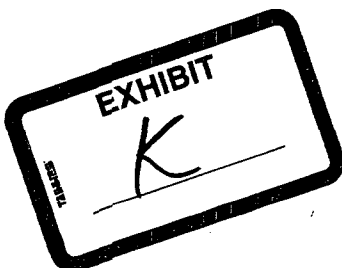
(1) That due notice having been given as required by law, the Commission has jurisdiction of the case and the persons and subject matter thereof.

(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 through the tubing by proper perforations and the installation of a proper packer or packers;



PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, 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

  
R. R. Spurrier, Secretary

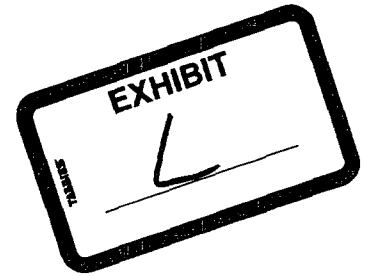


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

State # 2  
MR  
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

KC: DH, TC, CM, TR

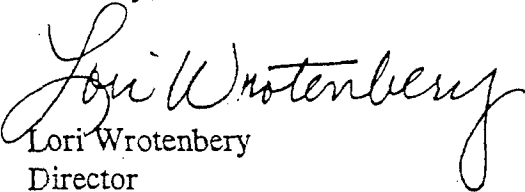
Administrative Order NSL-3947(SD)  
Citation Oil & Gas Corporation  
February 13, 1998  
Page 2

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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,

  
Lori Wrotenberg  
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., 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

1 API Number 30-025-08559		2 Pool Code 22800		3 Pool Name Eumont Yates Seven Rivers Queen	
4 Property Code 00283I		5 Property Name State H			6 Well Number 3
7 OGRID No. 004537		8 Operator Name Citation Oil & Gas Corp.			9 Elevation 3607 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
H	13	21S	35E		1980	North	1260	East	Lea

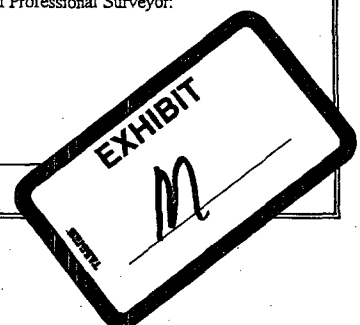
11 Bottom Hole Location If Different From Surface

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 320	13 Joint or Infill	14 Consolidation Code	15 Order No. NSP-381
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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

16		5 ○	2 ○ 1980	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Sharon Ward</u> Signature <u>Sharon Ward</u> Printed Name <u>Regulatory Administrator</u> <u>sward@cogc.com</u> Title and E-mail Address <u>March 23, 2005</u> Date	
		6 ○	3 ● 1260 3Y ○		18 SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number
		7 ○	4 ○ 4Y ○		
		8 ○	1 ○ 1Y ○		





*Im*

*Shell*  
*State*  
*#-3*

June 29, 1938

Shell Petroleum Corporation,  
Hobbs, N. M.  
Attention Mr. E. L. Sappington,  
Division Manager

Re: Application for Special Spacing  
in the SE1/4 13-21S-35E,  
Sunice field

Gentlemen:

Your application for special spacing, as set out in your letter 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 leases 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,

OIL CONSERVATION COMMISSION

By Carl B. Livingston  
Attorney

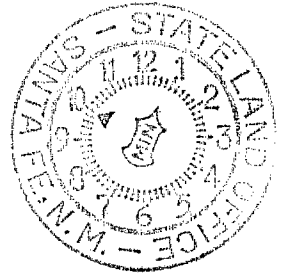
CEL:b  
CC to

Mr. A. Andreas,  
Socorro, N. M.

Mr. Guy Shepard,  
Hobbs, N. M.

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

JUN 27 1938 PM

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 1/4~~ <sup>NE 1/4</sup> 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,

*A. Andreas*  
A. Andreas  
Acting State Geologist.

AA:VCH  
Encl.

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 30-025-30472 <del>123456</del>	'Pool Code 22800	'Pool Name Eumont Yates Seven Rivers Queen
'Property Code 00283I	'Property Name State H	'Well Number 3Y
'OGRID No. 004537	'Operator Name Citation Oil & Gas Corp.	'Elevation 3610 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
H	13	21S	35E		2310	North	990	East	Lea

**11 Bottom Hole 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

'Dedicated Acres 40	'Joint or Infill	'Consolidation Code	'Order No. 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

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



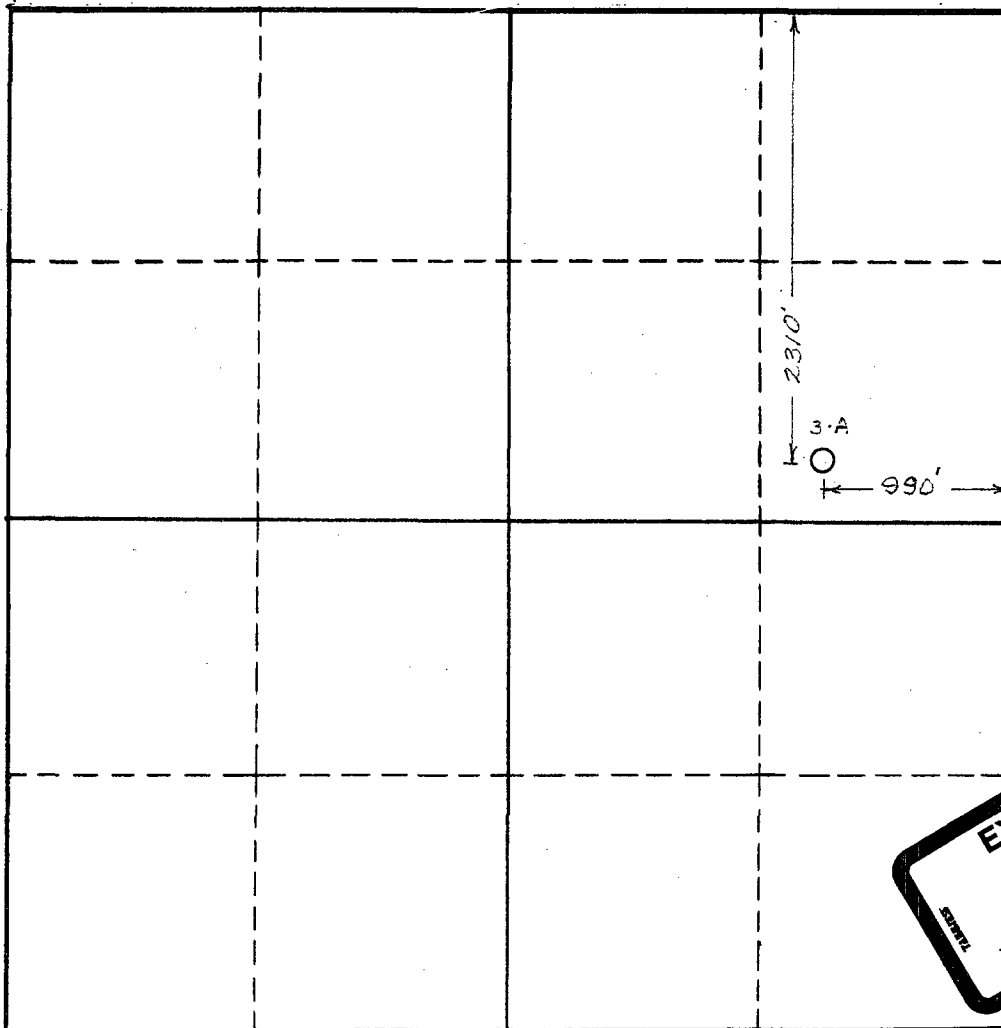
NEW MEXICO  
OIL CONSERVATION COM. SSION

Form C-128

Well Location and/or Gas Proration Plat

Operator Shell Oil Company Lease State # Date March 14, 1957  
Well No. 3A Section 19 Township 21-S Range 35-E NMPM  
Located 2310 Feet From north Line, 990 Feet From east Line,  
100 County, New Mexico. G. L. Elevation Not available  
Name of Producing Formation Seven Rivers Pool Summit Dedicated Acreage 40

(Note: All distances must be from outer boundaries of Section)



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 acreage? Yes No.

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.

Name R. Devill  
Position Division exploitation engineer  
Representing Shell Oil Company  
Address P. O. Box 1957 Hobbs, New Mexico

Date Surveyed 3-13-57  
Neal Steward  
Registered Professional Engineer and/or  
Land Surveyor







## 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.

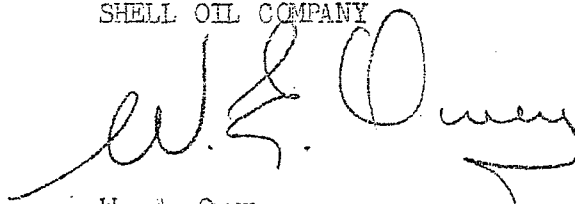
In support of this application the following facts are submitted:

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 recomplate 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 recomplate 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

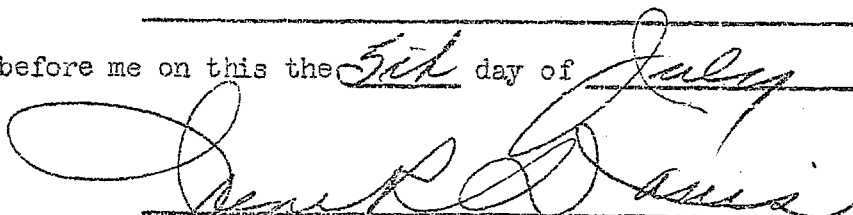
Attachments

A F F I D A V I T

Before me, the undersigned authority, on this day personally appeared W. E. Owen, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on oath, 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.



Sworn and subscribed to before me on this the 5th day of July, 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

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



P. O. BOX 871  
SANTA FE, NEW MEXICO

July 25, 1957

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

Re: Cancellation of DC established by  
Order R-271

RECEIVED	
AUG 1 1957	
HOBBS, N. MEX.	
AKP	AKP
BB	
Reply	Discuss File

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.

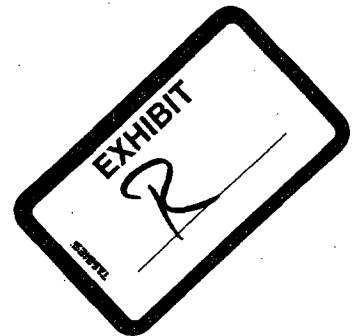
The basis for this cancellation is the recompletion of Well No. 4 as a single gas well in the Eumont Gas Pool and the drilling of Well No. 4A as a new oil well in the same unit in the Eumont Gas Pool to replace the oil completion in Well No. 4.

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

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



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,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.,  
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)

RECEIVED		
AUG 9 1957		
HOBBS, N. MEX.		
<i>[Handwritten initials]</i>		
<i>[Handwritten initials]</i>		
Reply	Discuss	File



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  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-03473		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 4Y
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3602 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
I	13	21S	35E		1650	South	990	East	Lea

**11 Bottom Hole 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

Dedicated Acres	Joint or Infill	Consolidation Code	Order 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

16			5 ○	2 ○	17 <b>OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Sharon Ward Signature  Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address  March 23, 2005 Date
			7 ○	4 ○	18 <b>SURVEYOR CERTIFICATION</b> <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number
			8 ○	4Y ● 990 1650 1Y ○ 1 ○	



NEW MEXICO  
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date November 16, 1956

Operator Shell Oil Company Lease State R

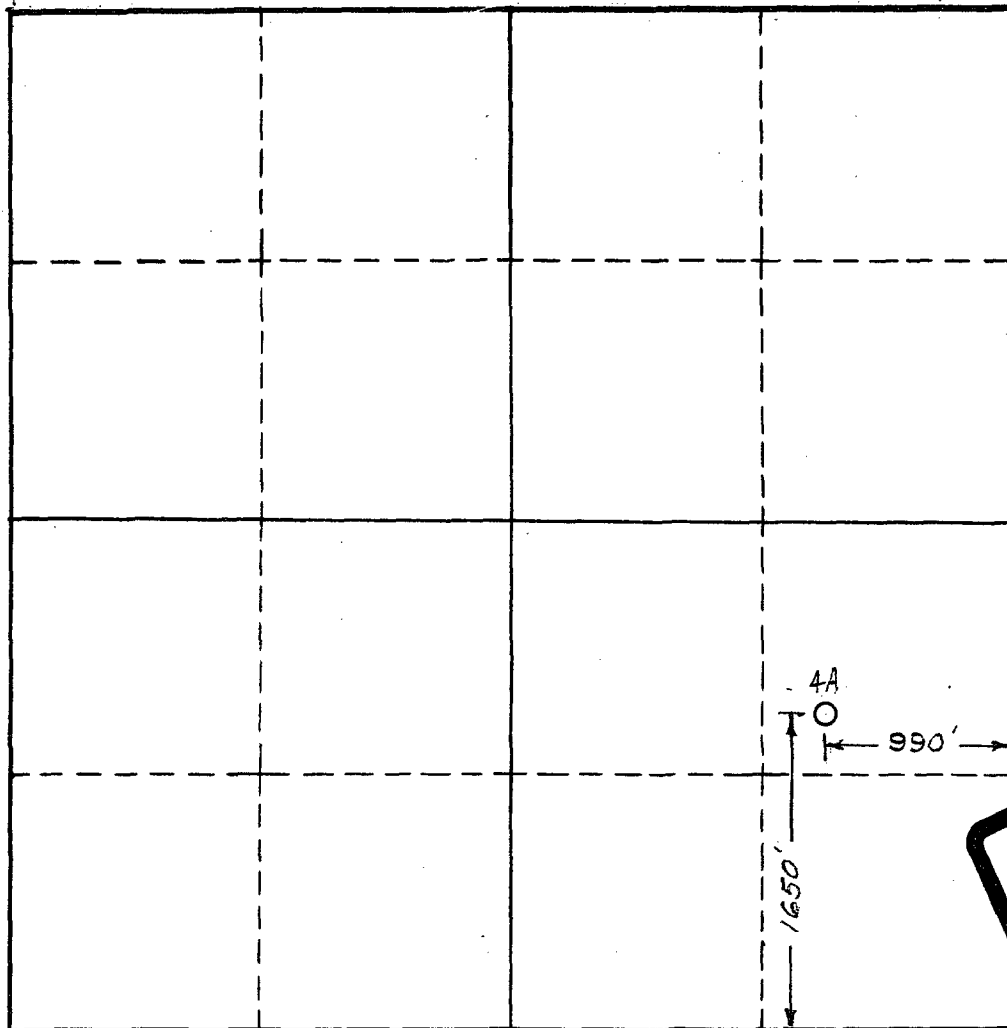
Well No. 64 Section 13 Township -21-N Range -35-E NMPM

Located 1650 Feet From South Line, 990 Feet From East Line,

Lee County, New Mexico. G. L. Elevation not available

Name of Producing Formation Seven Rivers Group Pool East Dedicated Acreage 320

(Note: All distances must be from outer boundaries of Section)



SCALE: 1"=1000'

1. Is this Well a Dual Comp.? Yes    No X

2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes    No   

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.

Name W. E. Devill  
Position Division Exploration Engineer  
Representing Shell Oil Company  
Address Box 1977, Hobbs, New Mexico

Date Surveyed 11-15-56  
Donald Shepard Cert. # 1467  
Registered Professional Engineer and/or  
Land Surveyor



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  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-03467		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 5
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3612 DF

**10 Surface Location**

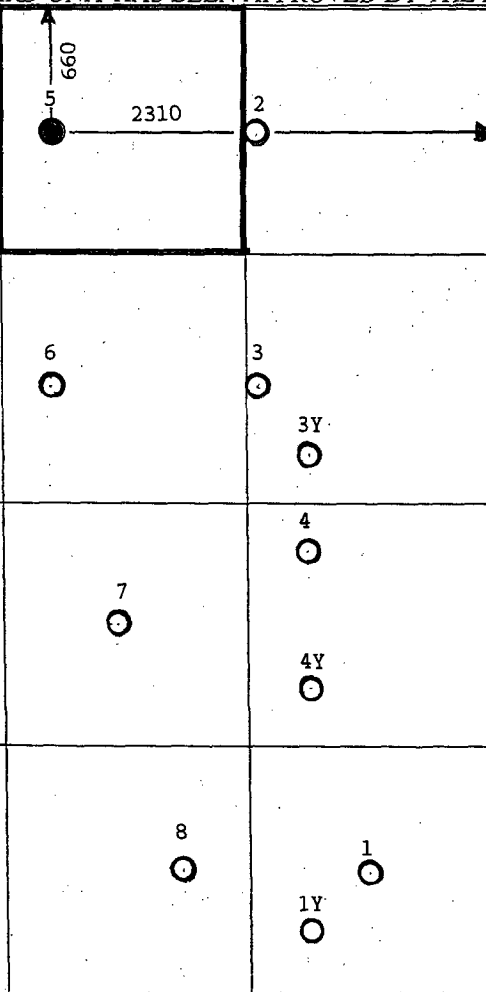
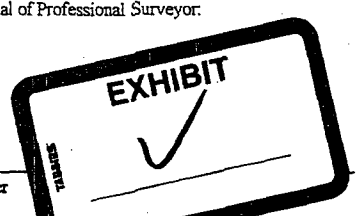
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	21S	35E		660	North	2310	East	Lea

**11 Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. 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			<b>17 OPERATOR CERTIFICATION</b> <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Sharon Ward Signature  Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address  March 23, 2005 Date  <b>18 SURVEYOR CERTIFICATION</b> <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:   Certificate Number

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-03468		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 6
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3594 DF

<sup>10</sup> 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	21S	35E		1980	North	2310	East	Lea

<sup>11</sup> Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSP-381
-----------------------	-----------------	--------------------	----------------------

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<div><p><sup>16</sup></p></div>	<div><p><sup>17</sup> OPERATOR CERTIFICATION</p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p><p><u>Sharon Ward</u></p><p>Signature</p><p><u>Sharon Ward</u></p><p>Printed Name</p><p><u>Regulatory Administrator</u></p><p><u>sward@cogc.com</u></p><p>Title and E-mail Address</p><p><u>March 23, 2005</u></p><p>Date</p></div>
	<div><p><sup>18</sup> SURVEYOR CERTIFICATION</p><p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor:</p></div>
	<div><p>Certificate Number</p></div>
	<div><p><b>EXHIBIT</b></p><p><u>W</u></p></div>

District I  
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-03469		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 7
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 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	21S	35E		1980	South	1980	East	Lea

11 Bottom Hole 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
Dedicated Acres 40		Joint or Infill		Consolidation Code		Order No. NSP-381			

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				Certificate Number	

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**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-03470		2 Pool Code 22800		3 Pool Name Eumont Yates Seven Rivers Queen	
4 Property Code 002831		5 Property Name State H			6 Well Number 8
7 OGRID No. 004537		8 Operator Name Citation Oil & Gas Corp.			9 Elevation 3607 DF

**10 Surface Location**

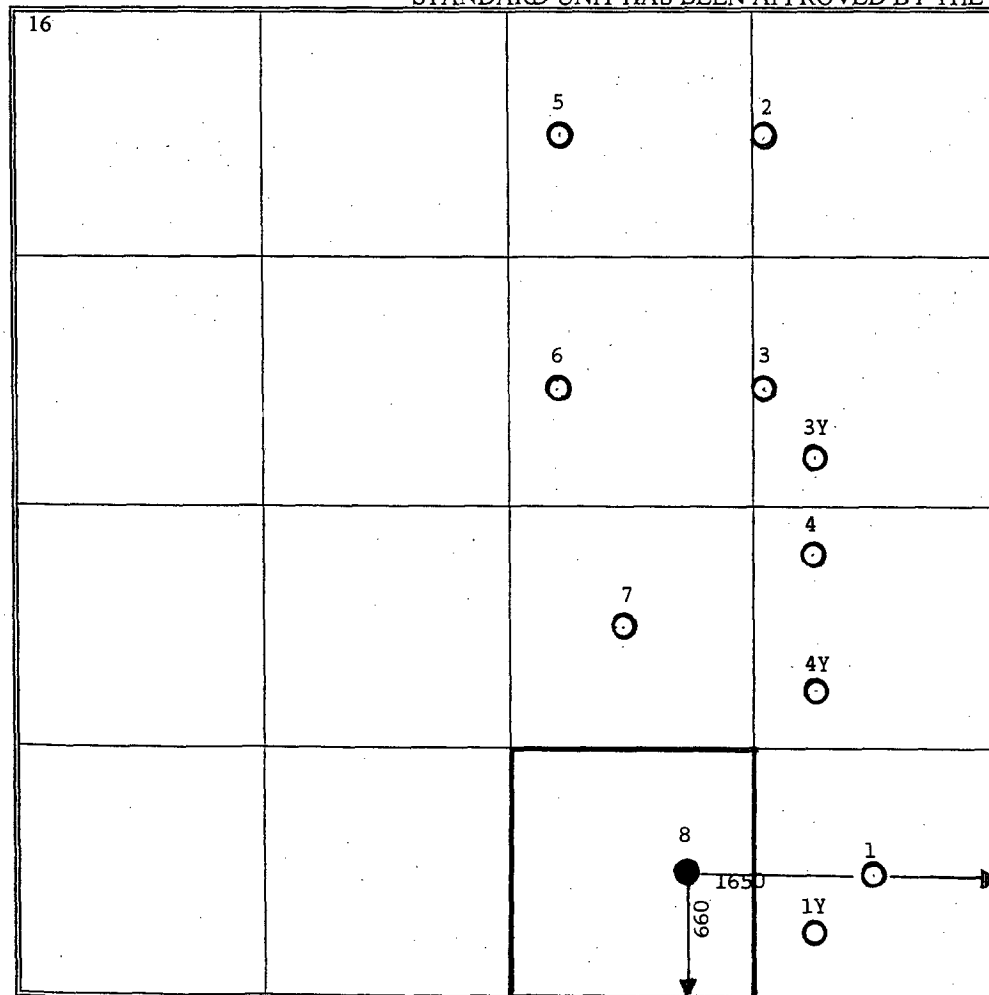
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	21S	35E		660	South	1650	East	Lea

**11 Bottom Hole 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 40	13 Joint or Infill	14 Consolidation Code	15 Order No. NSP-381
--------------------------	--------------------	-----------------------	-------------------------

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				<div>18 SURVEYOR CERTIFICATION</div> <p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>	
				Certificate Number	
				<div>EXHIBIT</div> <p><u>Y</u></p>	



# Citation Eumont 5/2005 Production

## New Mexico Field Names and Numbers

22800 EUMONT;YATES-7 R VRS-QUEEN (OIL)

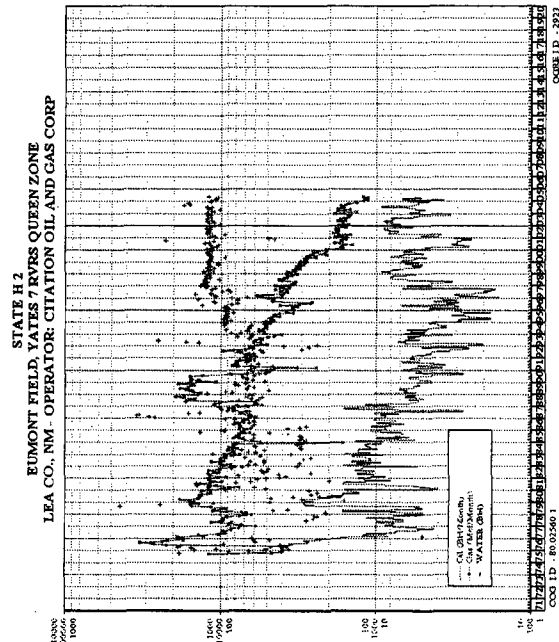
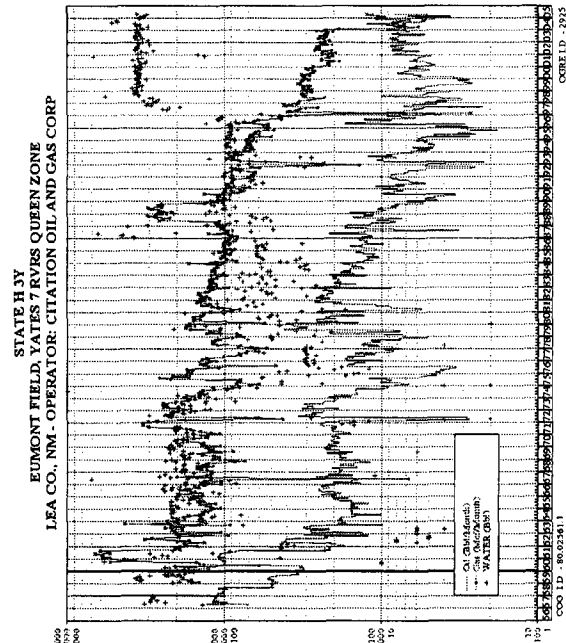
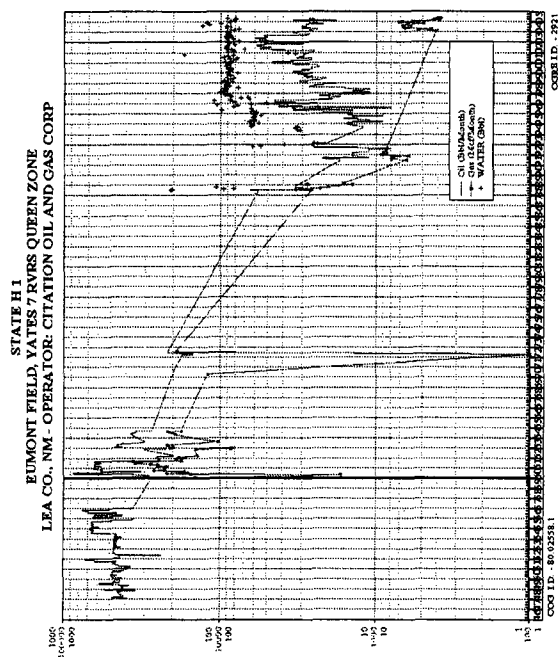
76480 EUMONT;YATES-7 R VRS-QUEEN (PRO GAS)

23000 EUNICE MONUMENT;GRAYBURG-SAN ANDRES

Data for Field from 5/2005 COG NM Form C-115

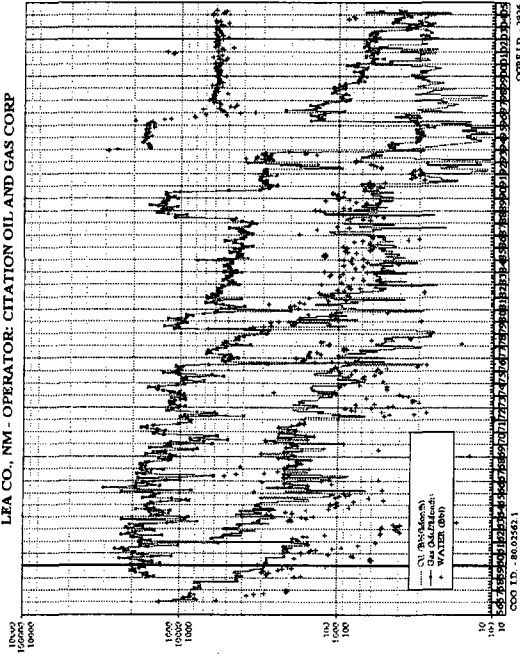
Month of Prod.	COG WellID	WellName	Field and Pool#	Internal Well Type	Status	Oil BOPM	Gas MCFPM	GOR	Water BWPM	Days On	Date Pulled	Notes
5/1/2005	80.02558.1	STATE H 1	22800	PR		27	380	14,074	90	31	7/21/2005	
5/1/2005	80.02559.1	STATE H 1 Y	22800	PR		55	709	12,891	150	31	7/21/2005	
5/1/2005	80.02560.1	STATE H 2	22800	PR		56	1215	21,696	120	31	7/21/2005	
5/1/2005	80.02561.1	STATE H 3 Y	22800	PR		83	1239	14,928	360	31	7/21/2005	
5/1/2005	80.02562.1	STATE H 4 Y	22800	PR		55	405	7,364	602	31	7/21/2005	
5/1/2005	80.02563.1	STATE H 5	22800	PR		27	253	9,370	240	31	7/21/2005	
5/1/2005	80.02564.1	STATE H 6	22800	PR		27	228	8,444	180	31	7/21/2005	
5/1/2005	80.02565.1	STATE H 7	22800	SR		0	0	--	0	0	7/21/2005	
5/1/2005	80.02566.1	STATE H 8	22800	PR		27	25	926	30	31	7/21/2005	
5/1/2005	80.02567.1	STATE H 4	76480	PR		27	1190	44,074	30	31	7/21/2005	Subject of New Application
5/1/2005	80.03516.1	STATE H 3	22800	SR		0	0	--	0	0	7/21/2005	Planned for Recompletion



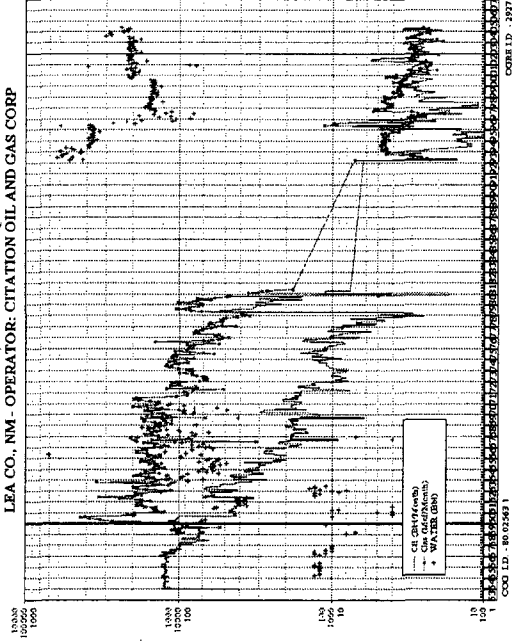




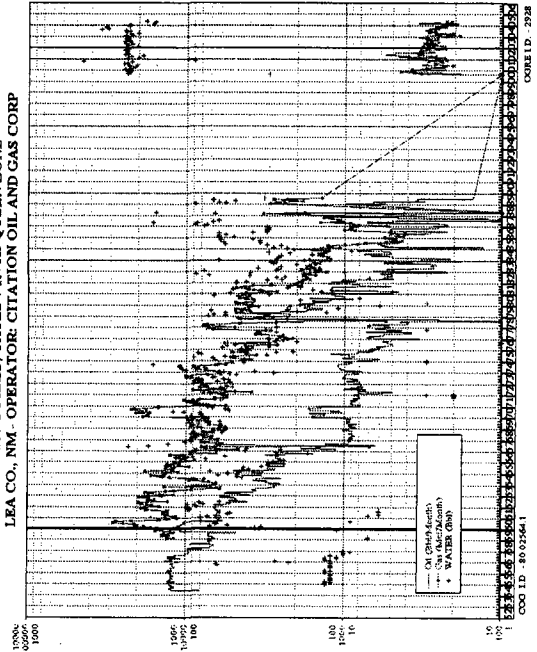
STATE H 4V  
EUMONT FIELD, YATES 7 RVRs QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP



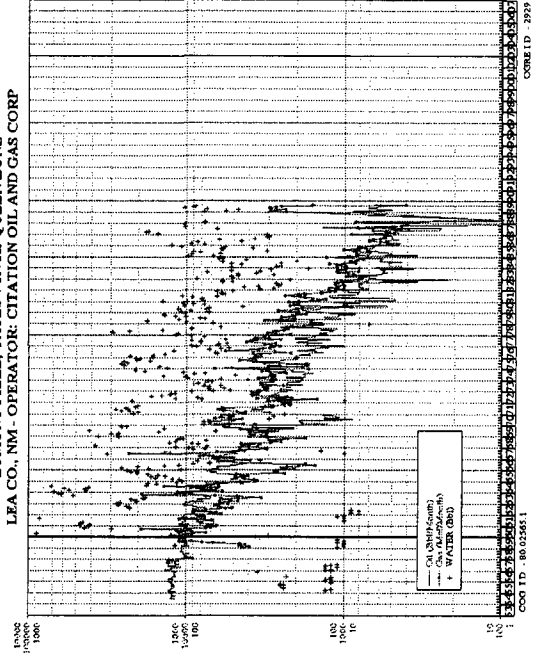
STATE H 5  
EUMONT FIELD, YATES 7 RVRs QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP



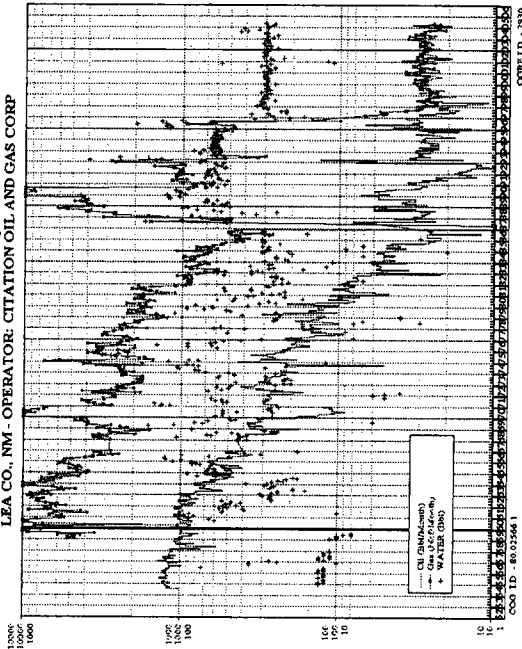
STATE H 6  
EUMONT FIELD, YATES 7 RVRs QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP



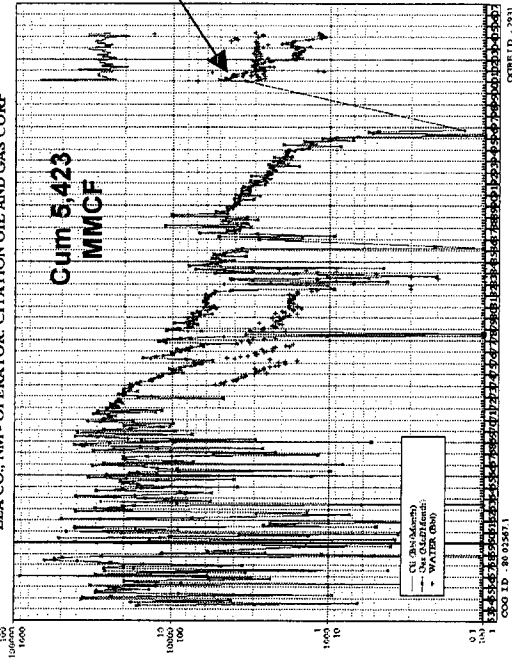
STATE H 7  
EUMONT FIELD, YATES 7 RVRs QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP



STATE H 8  
EUMONT FIELD, YATES 7 RVES QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP

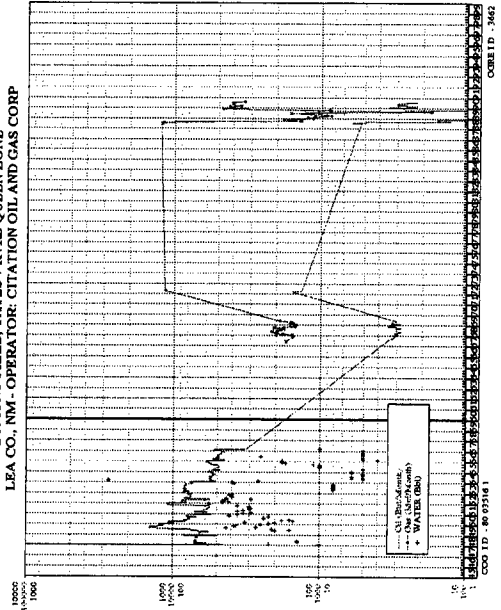


STATE H 4  
EUMONT FIELD, YATES 7 RVES QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP



Refrac'd in  
2001

STATE H 3  
EUMONT FIELD, YATES 7 RVES QUEEN ZONE  
LEA CO., NM - OPERATOR: CITATION OIL AND GAS CORP

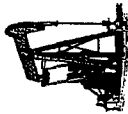




# H3 – Shut-in Prior to Workover

CITATION OIL AND GAS CORPORATION  
CURRENT WELLBORE DIAGRAM AND INFORMATION

Well Name: State H #3 Field: Eumont  
Date: May 12, 2005 Location: 1980' FNL 1260' FEL Section 13  
County: Lea State: New Mexico



No Unit

8 5/8" 28# Csg @ 1578'  
Cmt'd w/ 600 sx (cnc??)

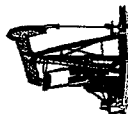
TOC @ 41-2751' (50% XS)

CASING DETAIL			
Size	Weight	Depth	
8 5/8"	28	Surf - 1578'	
5 1/2"	14	Surf - 3767'	

Surface:	1980' FNL and 1260' FEL Sec 13, T21S R35E Lea County, NM
Completed:	8/4/1938
Elevation:	3607 (DIP)
KB:	10'

11" Hole

7 3/4" Hole



Morgan C 160-200-74

8 5/8" 28# Csg @ 1578'  
Cmt'd w/ 600 sx (cnc??)

TOC @ 41-2751' (50% XS)

Yates Perfs:  
TBD

Seven Rivers Perfs:  
TBD

CIBP @ 3,747' w/ 20' cmt cap  
5 1/2" 14# Csg @ 3,767'  
Cmt'd w/ 200 sx.

Queen Oil: 3,767' to 3907'

Fill to 3828'

TD @ 3,907'

CITATION OIL AND GAS CORPORATION  
PROPOSED WELLBORE DIAGRAM AND INFORMATION

Well Name: State H #3 Field: Eumont  
Date: May 12, 2005 Location: 1980' FNL 1260' FEL Section 13  
County: Lea State: New Mexico

Surface:	1980' FNL 1260' FEL Section 13, T21S R35E Lea County, NM
Completed:	8/4/1938
Elevation:	3607 (DIP)
KB:	10'

CASING DETAIL			
Size	Weight	Depth	
8 5/8"	28	Surf - 1578'	
5 1/2"	14	Surf - 3767'	

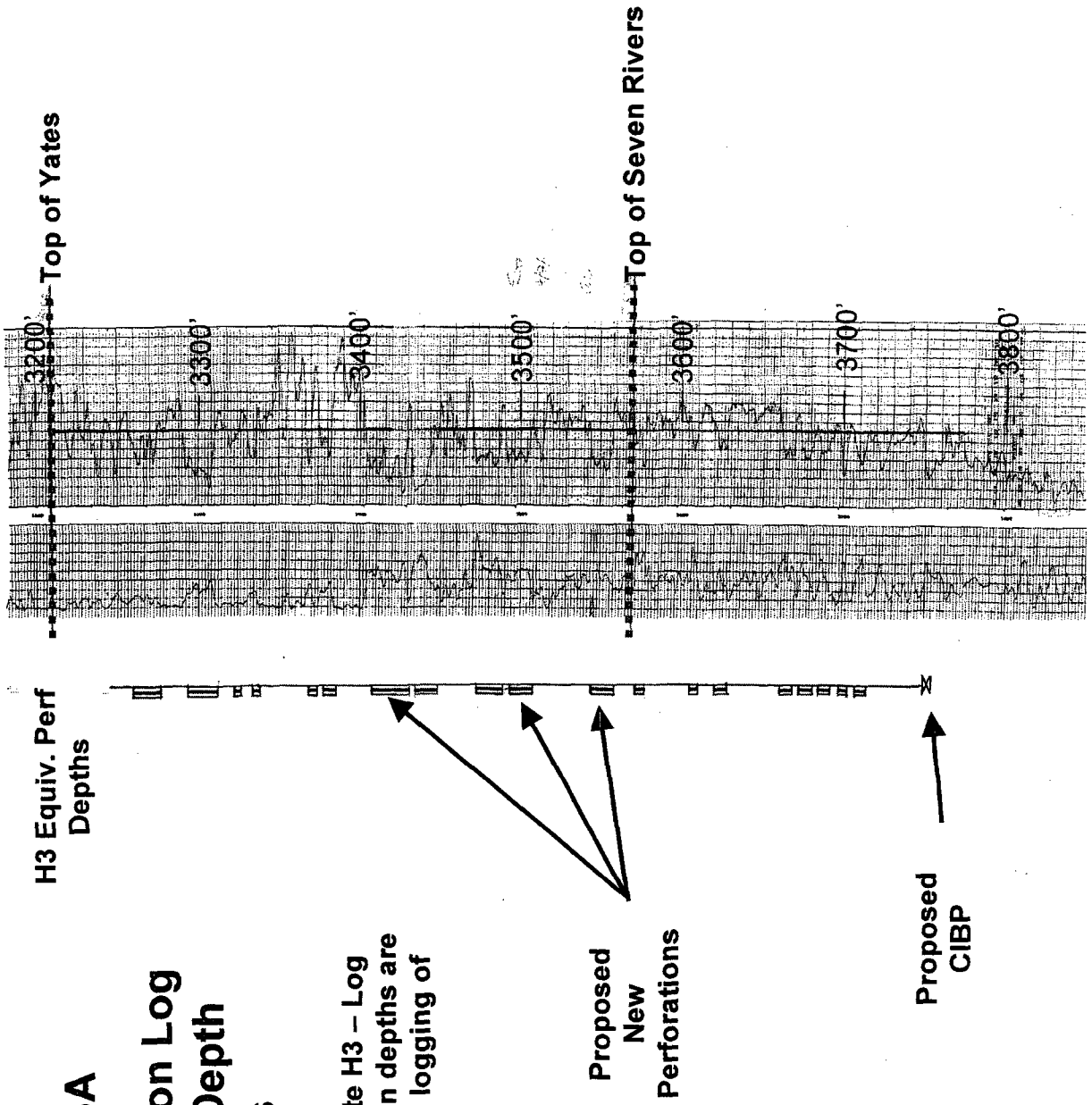
TUBING DETAIL			
Qty	Description	Length	Depth
1	KB	10	10
113	Jts 2 3/8" 4.7# J-55 tbg	3503	3513
1	Jt 2 3/8" 4.7# J-55 IPC tbg	31	3544
1	2 3/8" SN	1	3545
1	2 3/8" Tbg Sub	4	3549
1	Cavins D230/G Desander	20	3569
2	Jts 2 3/8" BPMA	62	3631

ROD DETAIL			
Qty	Size	Type	Length
1	3/4"	KD Subs	47-10
141	3/4"	KD	3,525
1	3/4"	KD Sub	2
Polish Rod: 1 1/4" x 16 w/ 1 1/2" x 10' Liner			
Pump: 2" x 1 1/4" x 12"			

## State H3 & H3A

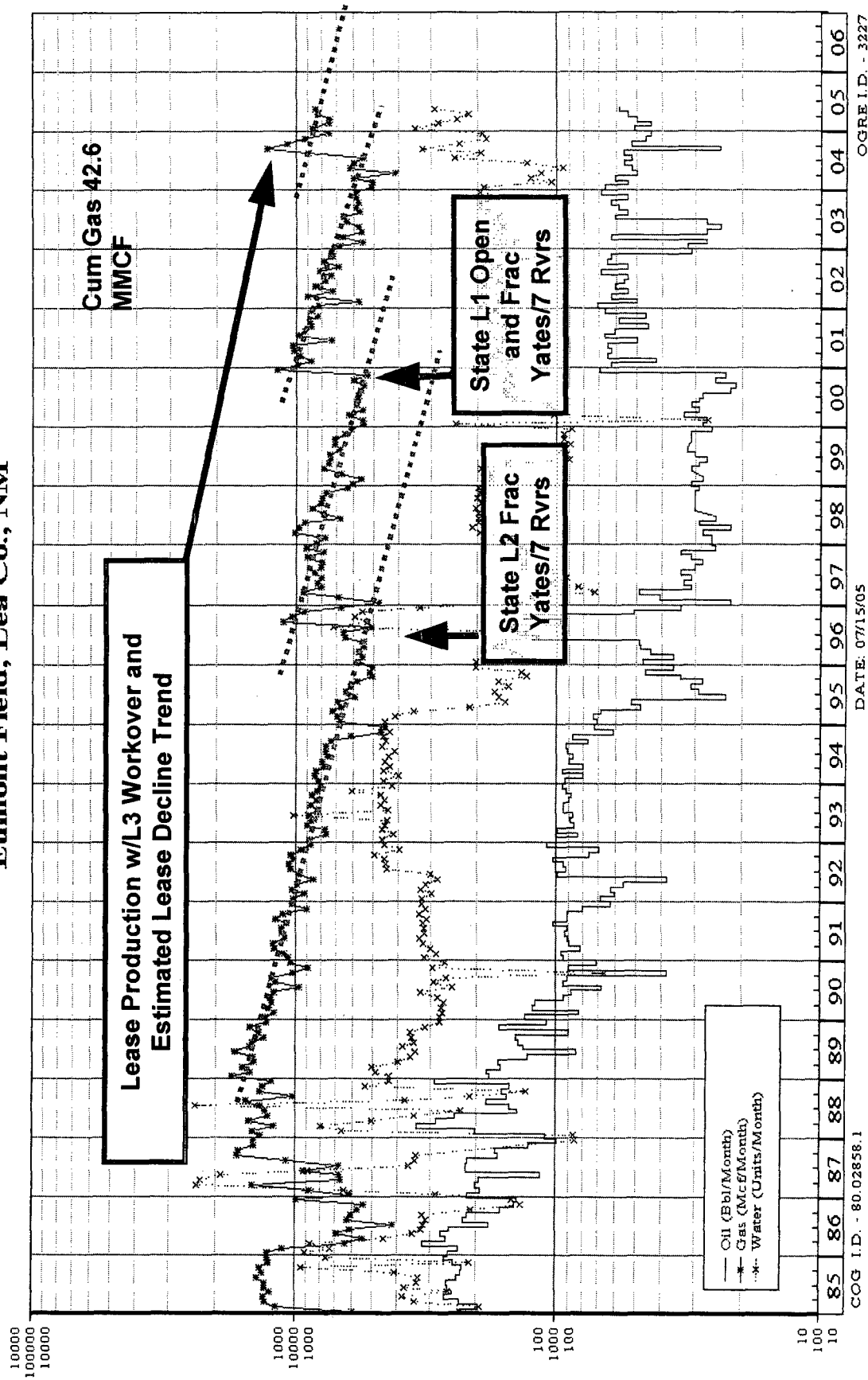
### Gamma Ray Neutron Log with Equivalent Depth Perforations

Note: No log available on State H3 - Log here is the H3A and perforation depths are estimated pending correlation logging of State H3.





State L Lease - Summary Plot  
Citation Oil & Gas Corp.  
Eumont Field, Lea Co., NM





WTA

STATE L 3

EUMONT FIELD  
LEA COUNTY, NM  
OAP and Frac

**Morning Reports with Estimated  
Gas Rates**

CapBudget# 107  
AFE# 040355  
AFE Cost: \$295,000  
COG WI: 100 %  
STATUS: A

8/24/2004 Day: 25 /

**Present Operation:** Pumping to battery

8/23/04

24 hrs Pmp'd 0 BO, 2 BW, 319 MCF, FAP = 221' (foam?), TP = 200#, CP = 11#,  
BLWTR = 1248

Lease Production: 17 BO, 270 BW, 582 MCF

DC: \$0

CC: \$335,620

TD:

PBTD:

8/25/2004 Day: 26 /

**Present Operation:** Pumping to battery

8/24/04

24 hrs Pmp'd 1 BO, 4 BW, 326 MCF, FAP - N/A, TP = 200#, CP = 11#, BLWTR =  
1244

Lease Production: 16 BO, 272 BW, 589 MCF

DC: \$0

CC: \$335,620

TD:

PBTD:

8/26/2004 Day: 27 /

**Present Operation:** Pumping to battery

8/25/04

24 hrs Pmp'd 0.5 BO, 5 BW, 313 MCF, FAP - 310' (foam), TP = 200#, CP = 7#,  
BLWTR = 1239

Lease Production: 17 BO, 273 BW, 580 MCF

DC: \$0

CC: \$335,620

TD:

PBTD:

8/27/2004 Day: 28 /

**Present Operation:** Pumping to battery

8/26/04

24 hrs Pmp'd 0 BO, 0 BW, 167 MCF, FL @ 86 JFS, FAP - 798', TP = 110#, CP =  
18#, BLWTR = 1239 (Comp dn 16 hrs - wtr temp)

Lease Production: 10 BO, 250 BW, 303 MCF (Comp dn 16 hrs - wtr temp)

Note: \$6,000 added for moving & setting pumping unit, wrist pin repair & pumping  
unit base.

DC: \$6,000

CC: \$341,620

TD:

PBTD:



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

Initial Rate = 105 MCFPD  
Est. Economic Limit = 7 MCFPD  
Est. Decline = 15% per Annum

Cum Production = 42,632 MCF 8/2004 to 5/2005

Remaining Reserve =  $Q = - 365 \times (q_i - q_f) / \ln (1 - D)$

$q_i$  = Initial Rate per Day

$q_f$  = Final Rate per Day

D = Decline Rate (fraction)

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





**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 =  $Q = -365 \times (q_i - q_f) / \ln(1 - D)$

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 =  $Q = -365 \times (q_i - q_f) / \ln(1 - D)$

Qb = 403,958 MCF - Remaining Lease Reserve  
PRIOR to L1 Work

Change in Reserves from Work on L2 in 1996:

Delta Q =  $(Q_b + Ca) - Q_a$

Therefore, Delta Q = 429,252 MCF (from L2 Work)

**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 Limit = 14 MCFPD  
Est. Decline = 18% per Annum

Remaining Reserve =  $Q = -365 \times (q_i - q_f) / \ln(1 - D)$

Qb = 307,009 MCF - Remaining Lease Reserve  
PRIOR to L1 Work

Change in Reserves from Work on L1 in 2000:

Delta Q =  $(Q_b + Ca) - Q_a$

Therefore, Delta Q = 225,030 MCF (from L1 Work)

**Summary of Gross Gas Reserve Additions:**

**Reserves Added by State L2 Frac - 429 MMCF**  
**Reserves Added by State L1 Open Yates & 7**

**Rivers/Queen - 225 MMCF**

**Reserves Added by State L3 Open Yates & 7**

**Rivers/Queen - 263 MMCF**



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

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

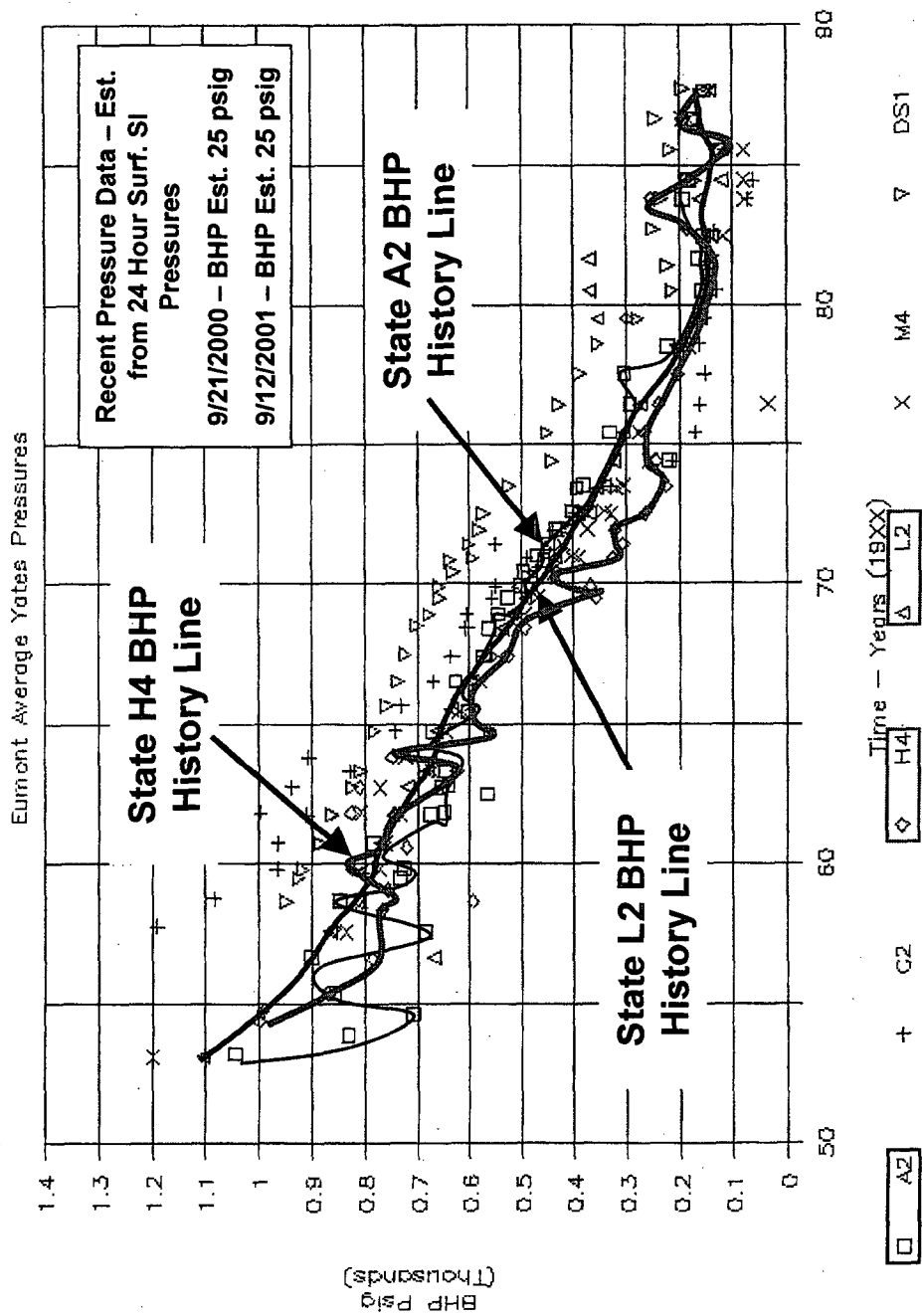
Remaining Reserve =  $Q = - 365 X (q_i - q_f) / \ln (1 - D)$

$q_i$  = Initial Rate per Day

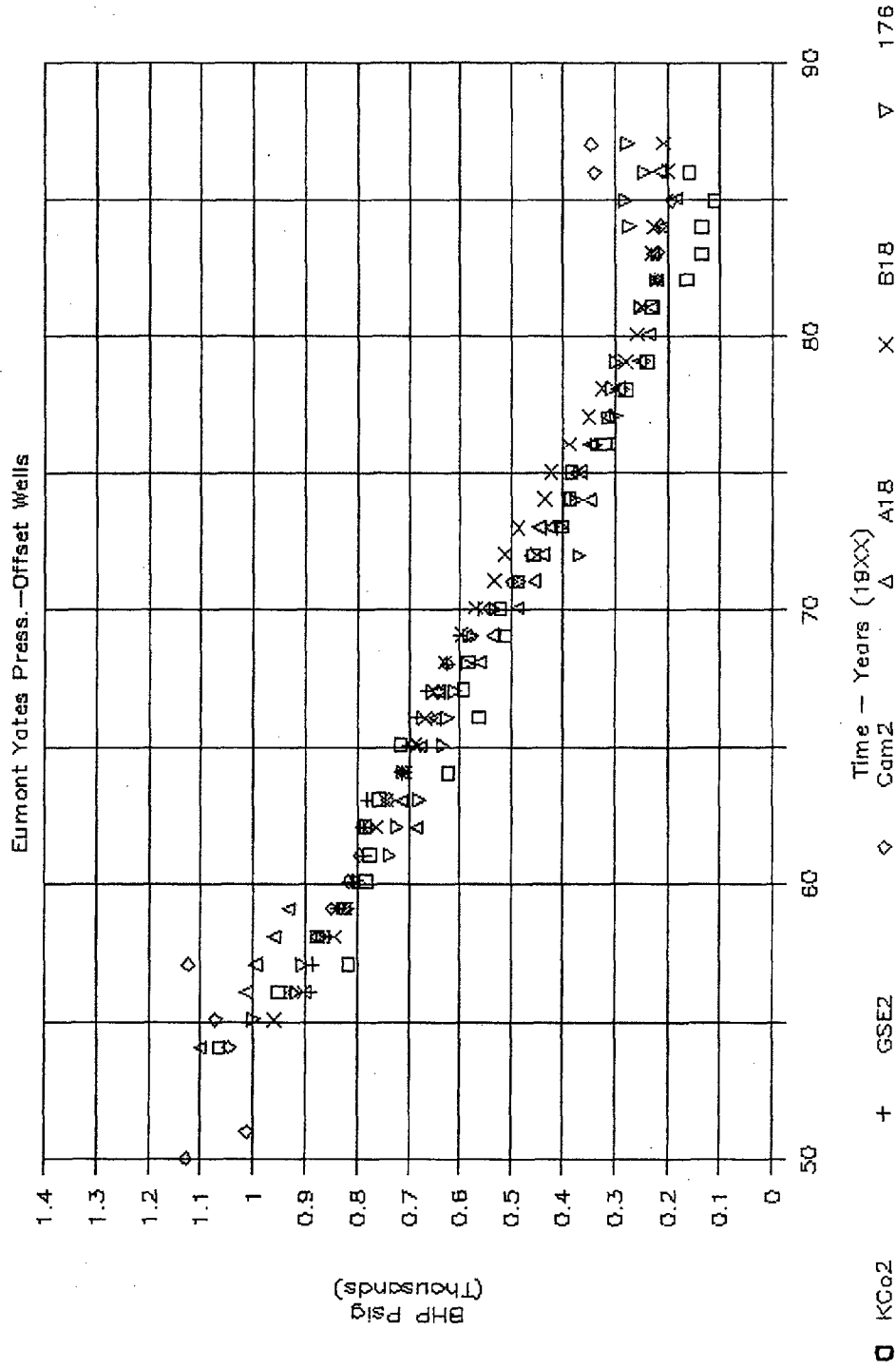
$q_f$  = Final Rate per Day

D = Decline Rate (fraction)

**Q = 253,786 MCF**



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



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



COG - Devonian State Gas Production History Yates/7 Rivers  
Initial Production - 1953 in Dev St Comm 1 (Now Dev St 5)

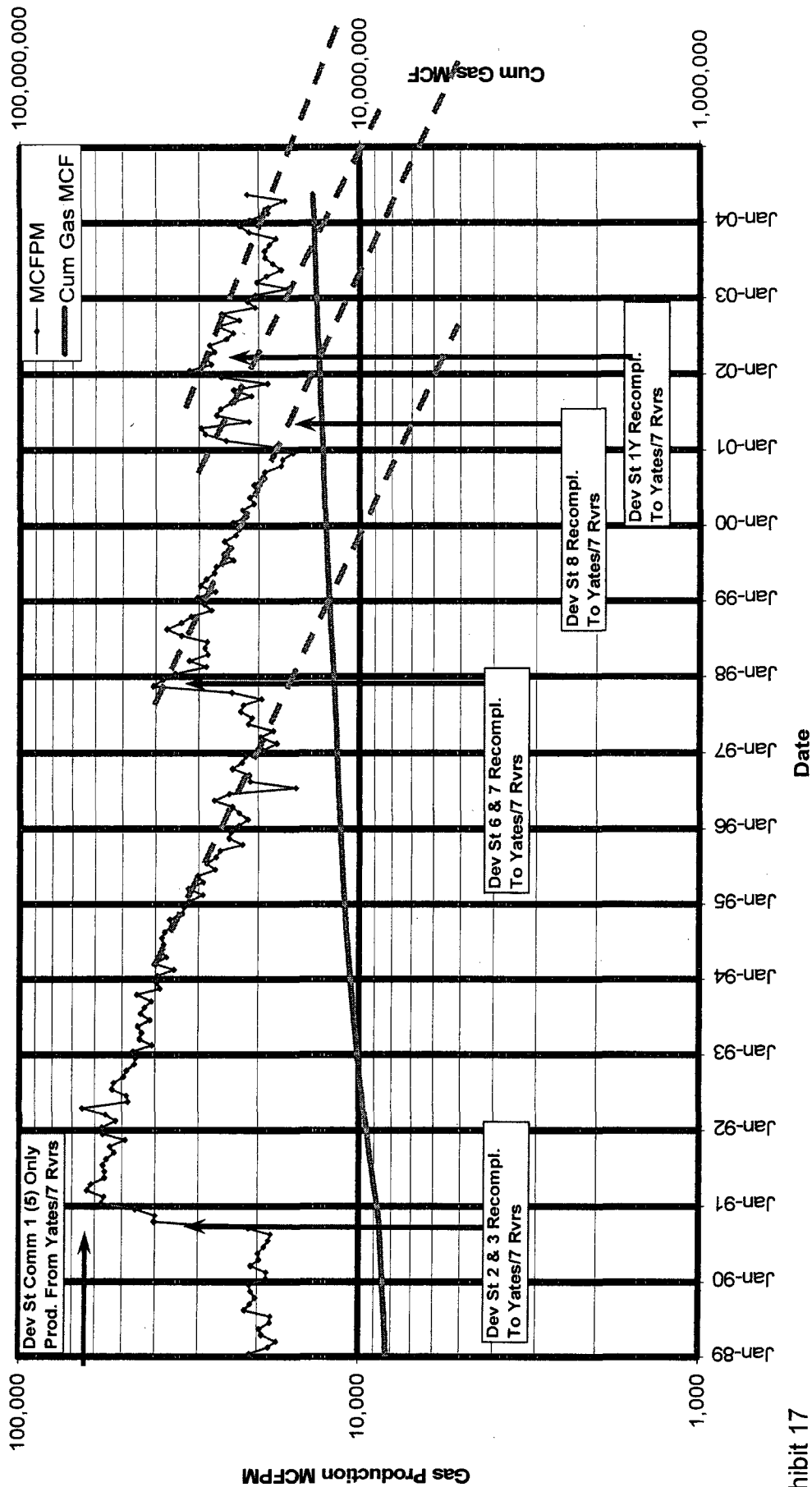


Exhibit 17

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.

## **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

CMD :  
OG5SECT

ONGARD  
INQUIRE LAND BY SECTION

11/02/05 13:53:41  
OGOMES -TP20  
PAGE NO: 1

Sec : 13 Twp : 21S Rng : 35E Section Type : NORMAL

D 40.00 CS E00392 0013 JAMES D FINLEY 06/11/55 A	C 40.00 CS E00392 0013 JAMES D FINLEY 06/11/55 A	B 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A	A 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A
E 40.00 CS E00392 0013 JAMES D FINLEY 06/11/55 A	F 40.00 CS E00392 0013 JAMES D FINLEY 06/11/55 A	G 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A	H 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A
L 40.00 CS E00395 0018 JAMES D FINLEY 06/11/55 A	K 40.00 CS E00395 0018 JAMES D FINLEY 06/11/55 A	J 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A	I 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A
M 40.00 CS E00395 0018 JAMES D FINLEY 06/11/55 A	N 40.00 CS E00395 0018 JAMES D FINLEY 06/11/55 A	O 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A	P 40.00 CS B01167 0051 CITATION OIL & GA 09/15/42 A

**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

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

September 28, 2005

**CERTIFIED MAIL-RETURN RECEIPT REQUESTED**

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

OFFSETTING OPERATOR:

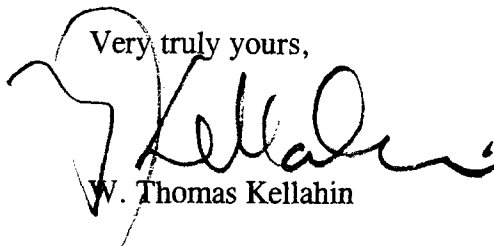
*Re: Administrative Application of Citation Oil & Gas Corp. for a "well density" exception to Order R-8170-P pursuant to Rule 4(B) of the Special Rules and Regulations of the Eumont Gas Pool for E/2 of Section 13, T21S, R35E, Lea County, New Mexico.*

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.

Very truly yours,



W. Thomas Kellahin

**WAIVER OF OBJECTION:**

By: \_\_\_\_\_ with authority for  
and on behalf of \_\_\_\_\_  
Date: \_\_\_\_\_

2005 SEP 28 PM



DATE IN	SUSPENSE	ENGINEER	LOGGED IN	TYPE	APP NO.
---------	----------	----------	-----------	------	---------

ABOVE THIS LINE FOR DIVISION USE ONLY

## 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] [NSP-Non-Standard Proration Unit] [SD-Simultaneous Dedication]  
 [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling]  
 [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement]  
 [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion]  
 [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase]  
 [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

#### [1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Simultaneous Dedication

☐ NSL ☐ NSP ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[D] Other: Specify

*Well Permits for EOR*

#### [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.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Print or Type Name

Signature

KELLAHIN & KELLAHIN

Attorneys At Law

P.O. Box 2265

Santa Fe, NM 87504-2265

Date

*9/28/05*

**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

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117 North Guadalupe  
Santa Fe, New Mexico 87501

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

September 28, 2004

**HAND DELIVERED**

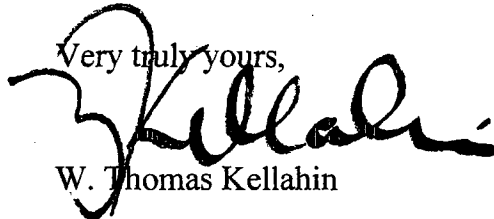
Mr. Michael E. Stogner  
Administrative Judge  
Oil Conservation Division  
1220 South Saint Francis Drive  
Santa Fe, New Mexico 87505

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 re-completed 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 yours,



W. Thomas 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, 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

(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.

- 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***)

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 O (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. 1-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

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

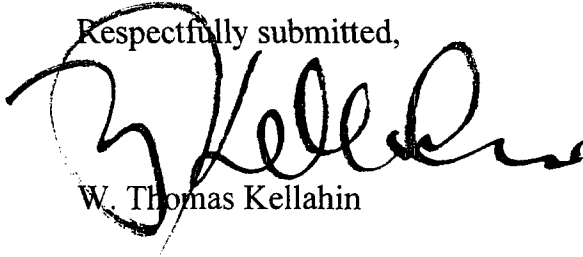
- i. **See Engineering Exhibit 4 through Exhibit 17**



### 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,

A handwritten signature in black ink, appearing to read 'W. Thomas Kellahin', is written over the typed name. The signature is fluid and cursive, with a large initial 'W'.

W. Thomas 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

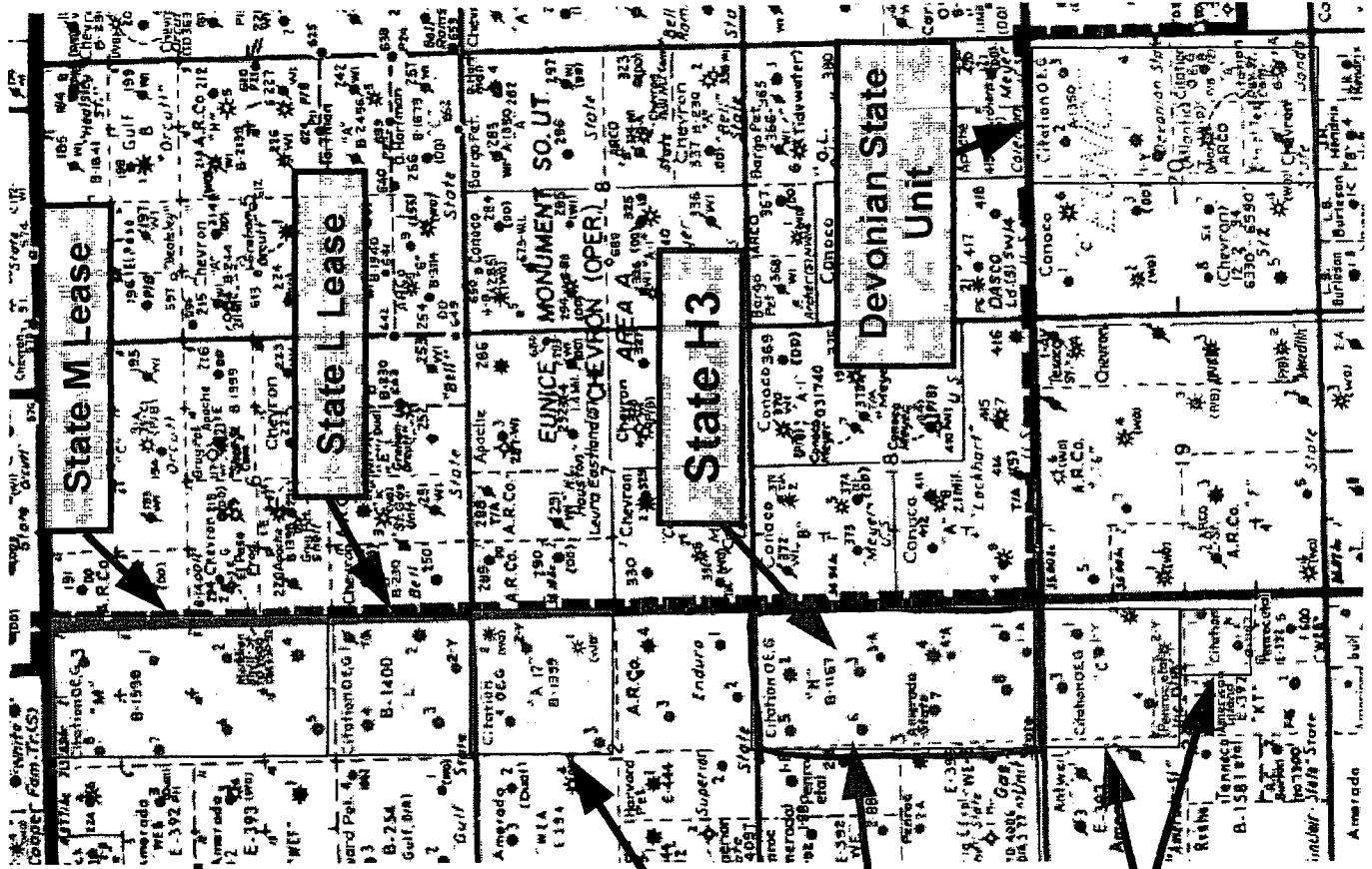
State A Lease

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

Former  
Citation State  
C & N Leases -  
Sold

EXHIBIT

A





**OIL & GAS CORP.**

**Active Gas Wells --  
Eumont Pool  
(YATES-7 RVRS-  
QUEEN (PRO GAS))**



## Inactive Gas Wells



- **Active Oil Wells**



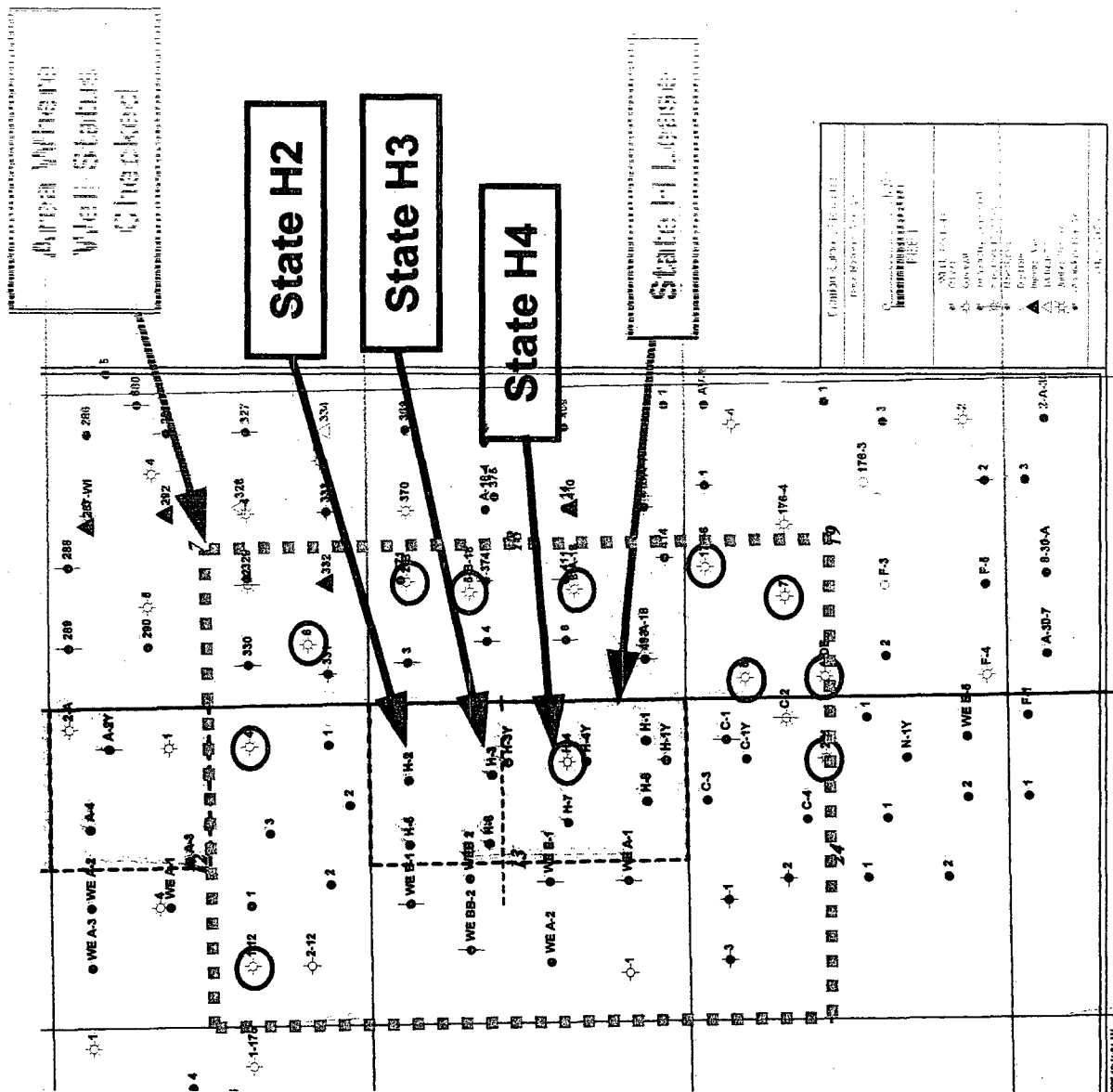
## ● Inactive Oil Wells



**✦ P&A'd Oil Wells**



### ▲ Injection Wells



**EXHIBIT**

2

**SURVEY**

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**

<sup>1</sup> API Number		<sup>2</sup> Pool Code		<sup>3</sup> Pool Name Eumont Yates Seven Rivers Queen	
<sup>4</sup> Property Code 002831		<sup>5</sup> Property Name State H			<sup>6</sup> Well Number
<sup>7</sup> OGRID No. 004537		<sup>8</sup> Operator Name Citation Oil & Gas Corp.			<sup>9</sup> Elevation

<sup>10</sup> 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	21S	35E						Lea

<sup>11</sup> Bottom Hole 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

<sup>12</sup> Dedicated Acres 320	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. 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

<sup>16</sup> 	<sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.  Signature Sharon Ward Printed Name Regulatory Administrator Title and E-mail Address sward@cogc.com March 23, 05 Date	
	<sup>18</sup> <b>SURVEYOR CERTIFICATION</b> I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. Date of Survey Signature and Seal of Professional Surveyor:	
	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

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**

<sup>1</sup> API Number 30-025- 08558		<sup>2</sup> Pool Code 22800		<sup>3</sup> Pool Name Eumont Yates Seven Rivers Queen	
<sup>4</sup> Property Code 00283I		<sup>5</sup> Property Name State H			<sup>6</sup> Well Number 1
<sup>7</sup> OGRID No. 004537		<sup>8</sup> Operator Name Citation Oil & Gas Corp.			<sup>9</sup> Elevation 3604 DF

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	13	21S	35E		660	South	660	East	Lea

<sup>11</sup> Bottom Hole 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

<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No. 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					<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Sharon Ward</u> Signature <u>Sharon Ward</u> Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address <u>March 23, 2005</u> Date
					<sup>18</sup> SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

**EXHIBIT**  
D

NEW MEXICO OIL CONSERVATION COMMISSION

Well Location and Acreage Dedication Plat

HOBBS OFFICE OCC

Section A.

Date January 27, 1960

1960 FEB 1 AM 7:32

Operator Shell Oil Company ✓ Lease State H  
Well No. 1 Unit Letter P Section 13 Township 21S Range 35E NMPM  
Located 660 Feet From south Line, 660 Feet From east Line  
County Lea G. L. Elevation 3599 Dedicated Acreage 10 Acres  
Name of Producing Formation Seven Rivers Pool Bumont

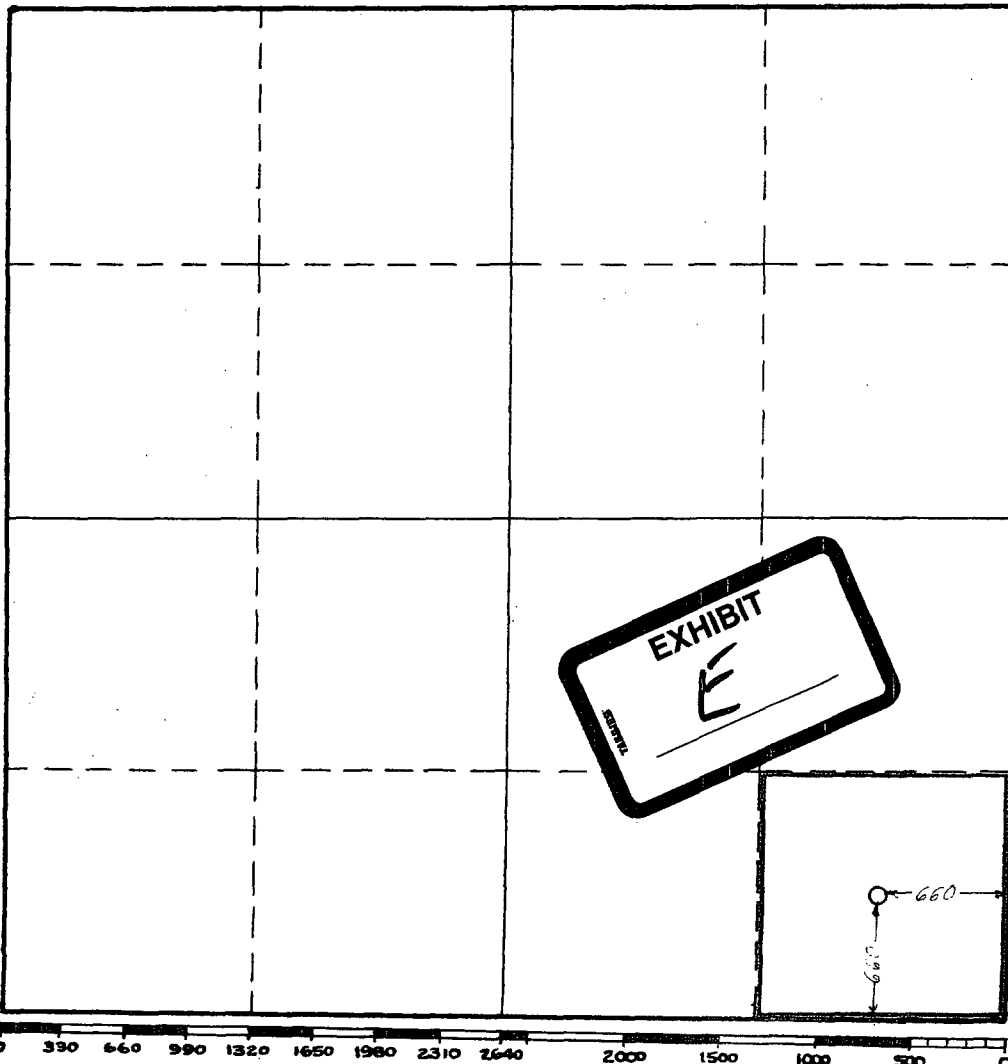
1. Is the Operator the only owner\* in the dedicated acreage outlined on the plat below?  
Yes X No       .
2. If the answer to question one is "no," have the interests of all the owners been consolidated by communitization agreement or otherwise? Yes        No       . If answer is "yes," Type of Consolidation
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner

Land Description

*Copy to  
State Land Office  
2-1-60  
dlg*

Section B



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)

Original Signed By  
R. A. Lowery 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.

Certificate No.

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 30-025-03471		Pool Code 22800	Pool Name Eumont Yates Seven Rivers Queen
Property Code 002831	Property Name State H		Well Number 1Y
OGRID No. 004537	Operator Name Citation Oil & Gas Corp.		Elevation 3618 DF

**10 Surface Location**

UL or lot no. P	Section 13	Township 21S	Range 35E	Lot Idn	Feet from the 330	North/South line South	Feet from the 990	East/West line East	County Lea
--------------------	---------------	-----------------	--------------	---------	----------------------	---------------------------	----------------------	------------------------	---------------

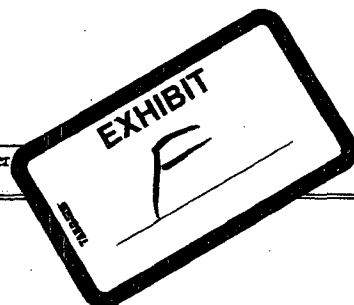
**11 Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
---------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. 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 ○	2 ○	17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i> <u>Sharon Ward</u> Signature  Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address  March 23, 2005 Date
			6 ○	3 ○	
			7 ○	4 ○ 3Y ○	
			8 ○	1 ○ 4Y ○	
					18 SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number



(14)

NEW MEXICO OIL CONSERVATION COMMISSION  
WELL LOCATION AND ACREAGE DEDICATION PLAT

FORM C-128  
Revised 5/1/57

SEE INSTRUCTIONS FOR COMPLETING THIS FORM ON THE REVERSE SIDE

SECTION A

Operator <b>Shell Oil Company</b>		Lease <b>State H</b>		Well No. <b>1A</b>
Unit Letter <b>P</b>	Section <b>13</b>	Township <b>21S</b>	Range <b>37E</b>	County <b>Lea</b>
Actual Footage Location of Well: <b>330</b> feet from the <b>South</b> line and <b>990</b> feet from the <b>East</b> line				
Ground Level Elev. <b>3607'</b>	Producing Formation <b>Seven Rivers</b>		Pool <b>Emont</b>	Dedicated Acreage: <b>40</b> Acres

1. Is the Operator the only owner in the dedicated acreage outlined on the plat below? YES **X** NO \_\_\_\_ . ("Owner" means the person who has the right to drill into and to produce from any pool and to appropriate the production either for himself or for himself and another. (65-3-29 (e) NMSA 1935 Comp.)
2. If the answer to question one 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 \_\_\_\_
3. If the answer to question two is "no," list all the owners and their respective interests below:

Owner	Land Description

SECTION B


EXHIBIT **G**

990

CERTIFICATION

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

Original signed By

Name **R. A. Lowery**  
Position **District Exploitation Engr.**  
Company **Shell Oil Company**  
Date **June 14, 1960**

Note: Original Survey Plat on file.

I hereby 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.

Copy to State  
Land Office  
6-17-60 dly

Date Surveyed **3-13-57**  
Registered Professional Engineer  
and/or Land Surveyor  
**Neal D. Shepard**

Certificate No. **1467**

0 330 660 990 1320 1650 1980 2310 2640 2000 1500 1000 500 0



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 30-025- 03465		Pool Code 22800	Pool Name Eumont Yates Seven Rivers Queen
Property Code 00283I	Property Name State H		Well Number 2
OGRID No. 004537	Operator Name Citation Oil & Gas Corp.		Elevation 3622 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
A	13	21S	35E		660	North	1260	East	Lea

**11 Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. 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	660	1260	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 Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address March 23, 2005 Date
			6	3		
			7	4	3Y	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. Date of Survey Signature and Seal of Professional Surveyor: Certificate Number
			8	1	4Y	



NEW MEXICO  
OIL CONSERVATION COMMISSION

Gas Well Plat

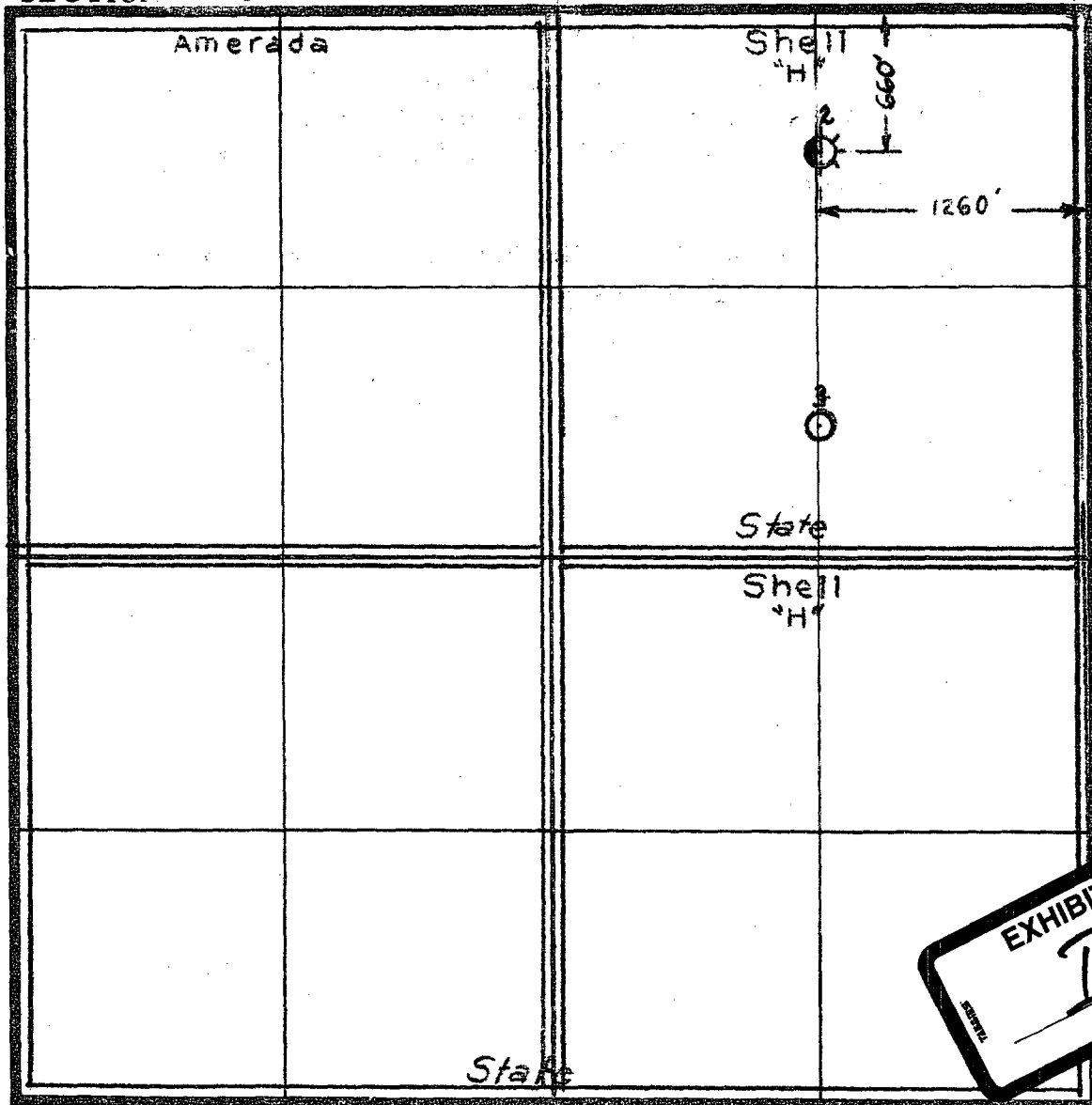
Date 10-27-53

Shell Oil Company State H 2  
Operator Lease Well No.

Name of Producing Formation Yates Pool Eumont

No. Acres Dedicated to the Well 160

SECTION 13 TOWNSHIP 21-S RANGE 35-E



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

ORIGINAL SIGNED BY  
J. D. SAVAGE

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

(over)

New Mexico  
OIL CONSERVATION COMMISSION



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

~~H.E.S.~~  
~~F.R.W.~~  
~~B.A.H.~~  
~~File~~  
~~K.W.R.~~

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

File E-1000

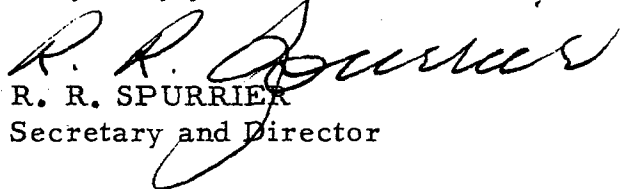
Dear Sir:

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

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 Com-  
pletion Order No. R-222 was issued.

Very truly yours,

  
R. R. SPURRIER  
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 DUALY 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".

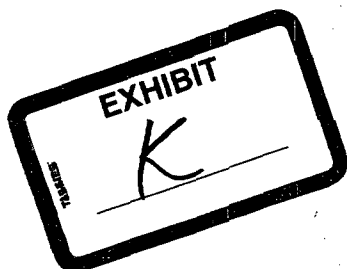
NOW, on this <sup>18</sup>4 day of December, 1952, the Commission, a quorum being present, having considered the records and the testimony adduced, and being fully advised in the premises,

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 through the tubing by proper perforations and the installation of a proper packer or packers;



PROVIDED, HOWEVER, That subject well shall be completed, and thereafter produced, in such a manner that there will be no commingling within the well bore, 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

  
R. R. Spurrier, Secretary

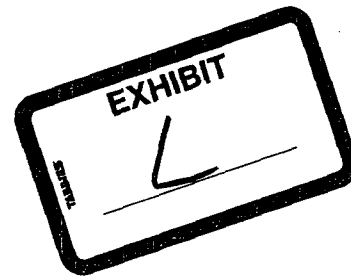


NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

State # 2  
mr  
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

xc:DH, TC, CM, TR

Administrative Order NSL-3947(SD)

Citation Oil & Gas Corporation

February 13, 1998

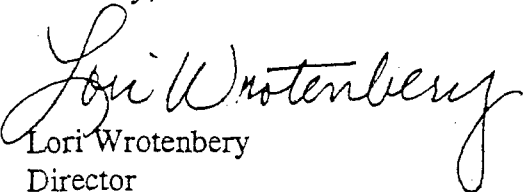
Page 2

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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,

  
Lori Wrotenbery  
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., 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 30-025-08559		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 3
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3607 DF

<sup>10</sup> Surface Location

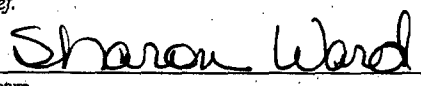
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	21S	35E		1980	North	1260	East	Lea

<sup>11</sup> Bottom Hole 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

Dedicated Acres 320	Joint or Infill	Consolidation Code	Order No. 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

<sup>16</sup>						<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address March 23, 2005 Date
						<sup>18</sup> SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  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

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

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Revised June 10, 2003  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-30472		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 3Y
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3610 DF

<sup>10</sup> Surface Location

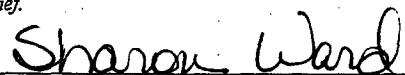

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	13	21S	35E		2310	North	990	East	Lea

<sup>11</sup> Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. 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					17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address March 23, 2005 Date
					18 SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number

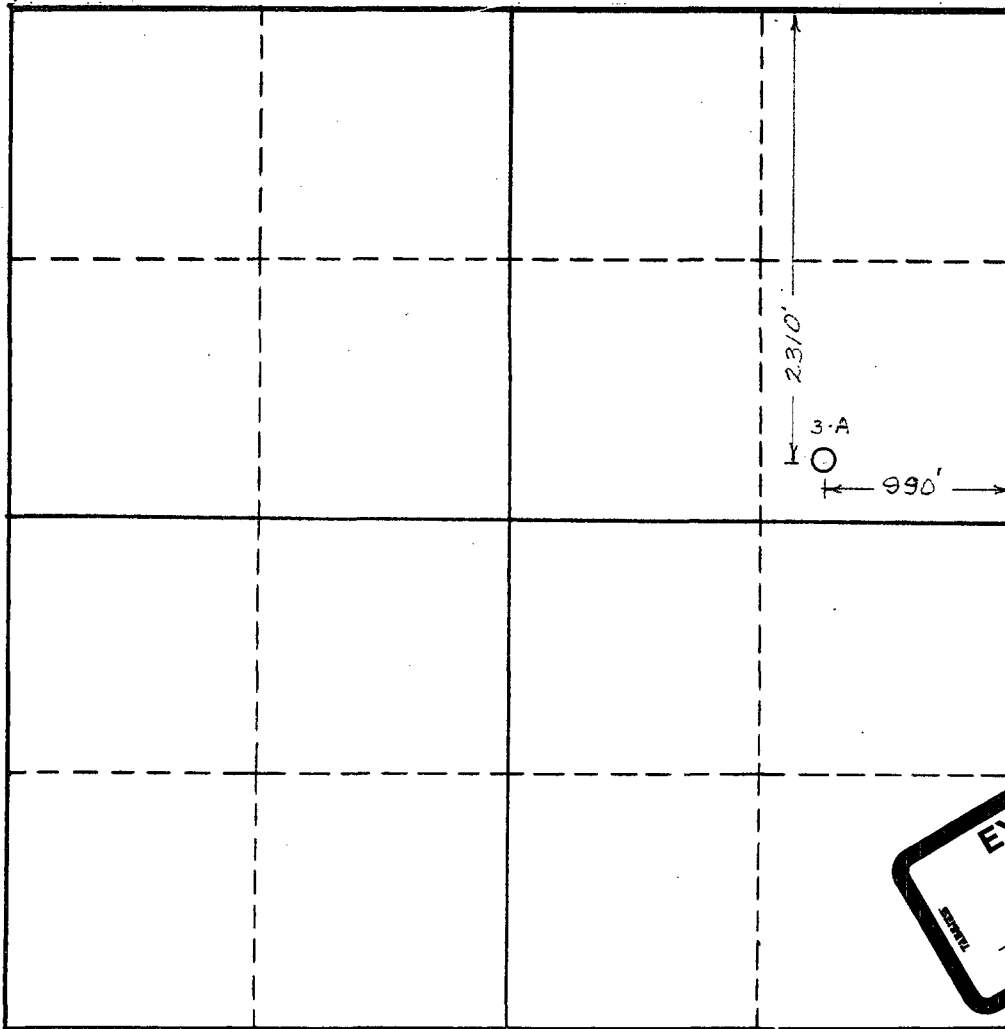
NEW MEXICO  
OIL CONSERVATION COM. SSION

Form C-128

Well Location and/or Gas Proration Plat

Operator Shell Oil Company Lease State # Date March 14, 1957  
Well No. 3A Section 19 Township N. 5 Range 11. 3 NMPM  
Located 2310 Feet From North Line, 990 Feet From East Line,  
Loc County, New Mexico. G. L. Elevation Not available  
Name of Producing Formation Lower Elvert Pool 22001 Dedicated Acreage 40

(Note: All distances must be from outer boundaries of Section)



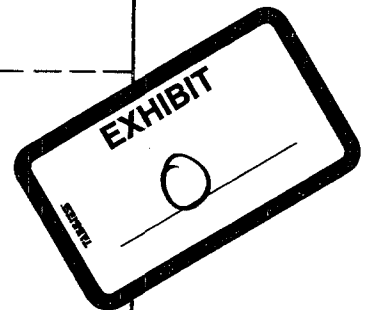
SCALE: 1"=1000'

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 acreage? Yes No.

Name D. D. McVill  
Position Division Exploration Engineer  
Representing Shell Oil Company  
Address P. O. Box 1957 Hobbs, New Mexico

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 3-13-57  
Donald Shepard  
Registered Professional Engineer and/or Land Surveyor



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  
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Fee Lease - 3 Copies

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

1 API Number 30-025-03465		2 Pool Code 76480		3 Pool Name Eumont Yates Seven Rivers Queen (Gas)		
4 Property Code 00283I		5 Property Name State H			6 Well Number 4	
7 OGRID No. 004537		8 Operator Name Citation Oil & Gas Corp.			9 Elevation 3607 DF	

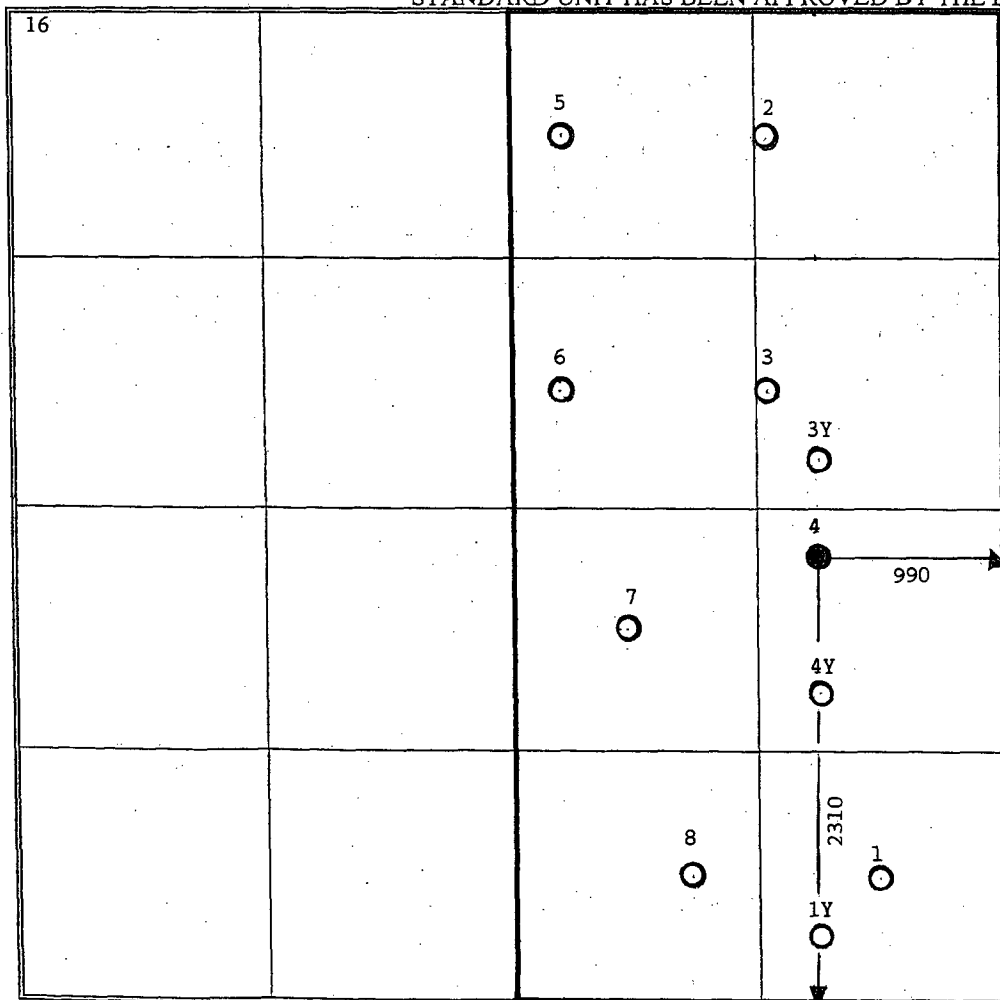
10 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	13	21S	35E		2310	South	990	East	Lea

11 Bottom Hole 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 320	13 Joint or Infill	14 Consolidation Code	15 Order No. 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										17 OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Signature <u>Sharon Ward</u>  Printed Name <u>Sharon Ward</u> Regulatory Administrator <u>sward@cogc.com</u> Title and E-mail Address  Date <u>March 23, 2005</u>
										18 SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number





## SHELL OIL COMPANY

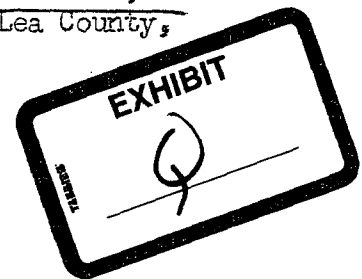
P. O. Box 1957  
Hobbs, New Mexico

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.

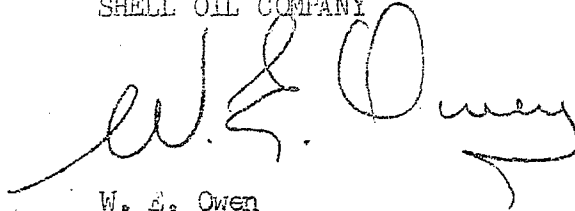
In support of this application the following facts are submitted:

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 recomplate 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 recomplate 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

A F F I D A V I T

Before me, the undersigned authority, on this day personally appeared W. E. Owen, known to me to be the person whose name is subscribed to this instrument, who, after being by me duly sworn on oath, 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.



Sworn and subscribed to before me on this the 5th day of July, 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

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



P. O. BOX 871  
SANTA FE, NEW MEXICO

July 25, 1957

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

Re: Cancellation of DC established by  
Order R-271

RECEIVED	
AUG 1 1957	
HOBBS, N. MEX.	
AKP	AKP
DB	
Reply	Discuss File

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.

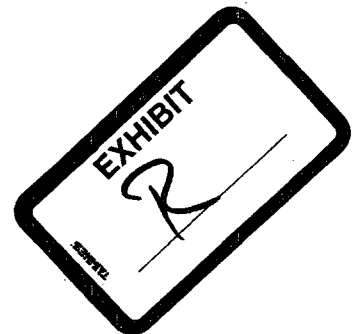
The basis for this cancellation is the recompletion of Well No. 4 as a single gas well in the Eumont Gas Pool and the drilling of Well No. 4A as a new oil well in the same unit in the Eumont Gas Pool to replace the oil completion in Well No. 4.

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

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



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,

*A. L. Porter, Jr.*  
A. L. PORTER, Jr.,  
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)

RECEIVED	
AUG 9 1957	
HOBBS, N. MEX.	
<i>[Signature]</i>	
<i>[Signature]</i>	
<i>[Signature]</i>	
Reply	Discuss File



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 30-025-03473		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 4Y
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3602 DF

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
I	13	21S	35E		1650	South	990	East	Lea

<sup>11</sup> Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSP-381
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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

<sup>16</sup>							<sup>17</sup> OPERATOR CERTIFICATION <i>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</i>  Sharon Ward Signature  Sharon Ward Printed Name Regulatory Administrator sward@cogc.com Title and E-mail Address  March 23, 2005 Date
							<sup>18</sup> SURVEYOR CERTIFICATION <i>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.</i>  Date of Survey Signature and Seal of Professional Surveyor:  Certificate Number





NEW MEXICO  
OIL CONSERVATION COMMISSION

Form C-128

Well Location and/or Gas Proration Plat

Date November 16, 1956

Operator Shell Oil Company Lease State R

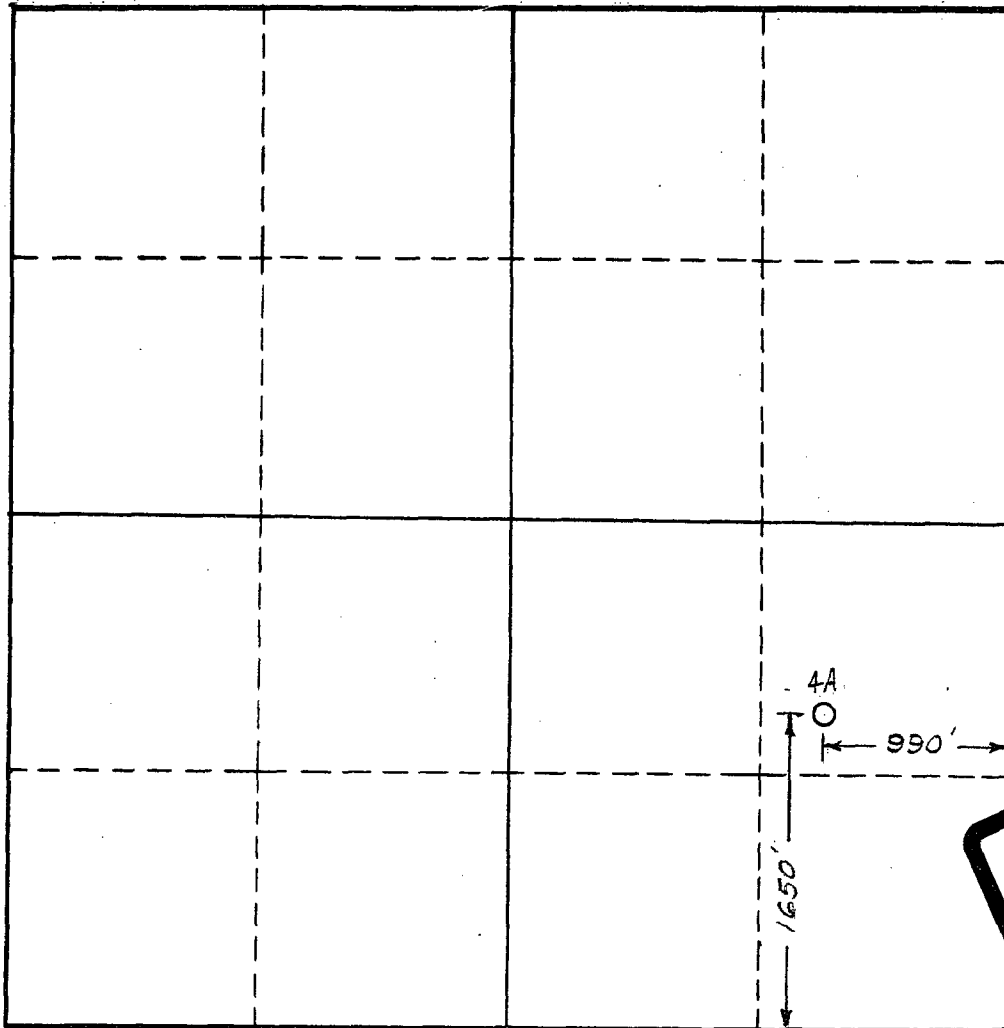
Well No. 4A Section 13 Township -71-2 Range -75-1 NMPM

Located 1650 Feet From South Line, 990 Feet From East Line,

Loc County, New Mexico. G. L. Elevation not available

Name of Producing Formation Lower Pecos Pool East Dedicated Acreage 320

(Note: All distances must be from outer boundaries of Section)



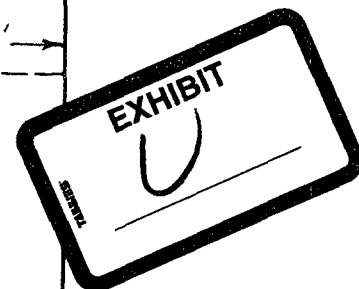
SCALE: 1"=1000'

1. Is this Well a Dual Comp.? Yes No X
2. If the answer to Question 1 is yes, are there any other dually completed wells within the dedicated acreage? Yes No X

Name E. H. Mark  
Position Division Exploitation Engineer  
Representing Shell Oil Company  
Address Box 1957, Hobbs, New Mexico

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 11-15-56  
Donald Shepard Cert. # 1467  
Registered Professional Engineer and/or  
Land Surveyor



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  
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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-03467		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 5
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3612 DF

<sup>10</sup> Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	13	21S	35E		660	North	2310	East	Lea

<sup>11</sup> Bottom Hole 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

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSP-381
-----------------------	-----------------	--------------------	----------------------

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16		<p><sup>17</sup> OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Sharon Ward</i> Signature</p> <p>Sharon Ward Printed Name</p> <p>Regulatory Administrator sward@cogc.com Title and E-mail Address</p> <p>March 23, 2005 Date</p>	
			<p><sup>18</sup> 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.</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p>
			<p>Certificate Number</p>



District I  
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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

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Revised June 10, 2003  
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☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

API Number 30-025-03468		Pool Code 22800		Pool Name Eumont Yates Seven Rivers Queen	
Property Code 00283I		Property Name State H			Well Number 6
OGRID No. 004537		Operator Name Citation Oil & Gas Corp.			Elevation 3594 DF

**10 Surface Location**

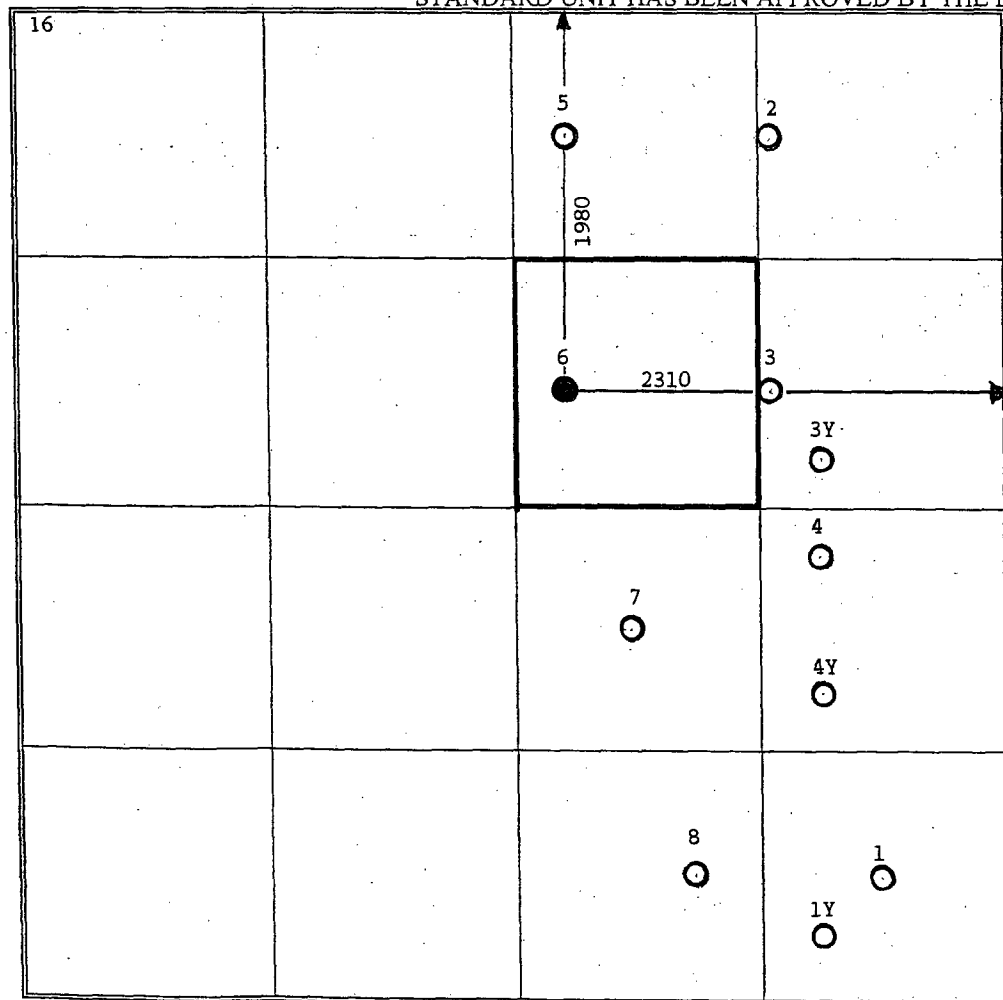
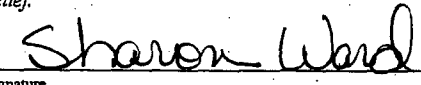
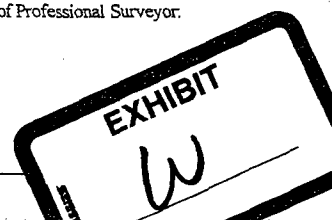
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	13	21S	35E		1980	North	2310	East	Lea

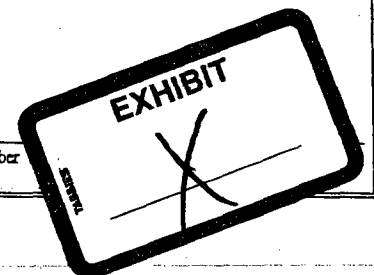
**11 Bottom Hole Location If Different From Surface**

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County

Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No. NSP-381
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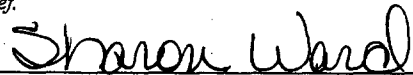
**WELL LOCATION AND ACREAGE DEDICATION PLAT**

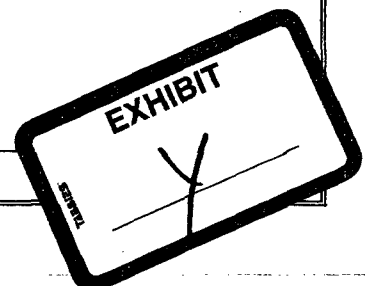
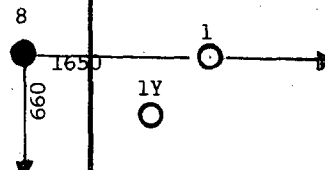
<sup>1</sup> API Number 30-025-03470		<sup>2</sup> Pool Code 22800		<sup>3</sup> Pool Name Eumont Yates Seven Rivers Queen	
<sup>4</sup> Property Code 002831		<sup>5</sup> Property Name State H			<sup>6</sup> Well Number 8
<sup>7</sup> OGRID No. 004537		<sup>8</sup> Operator Name Citation Oil & Gas Corp.			<sup>9</sup> Elevation 3607 DF

<sup>10</sup> Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	13	21S	35E		660	South	1650	East	Lea

<sup>11</sup> Bottom Hole 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
<sup>12</sup> Dedicated Acres 40		<sup>13</sup> Joint or Infill		<sup>14</sup> Consolidation Code		<sup>15</sup> Order No. NSP-381			

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# Citation Eumont 5/2005 Production

## New Mexico Field Names and Numbers

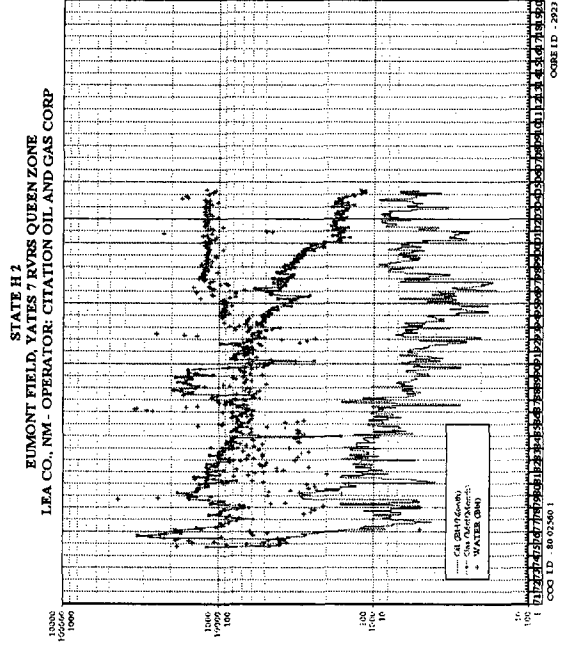
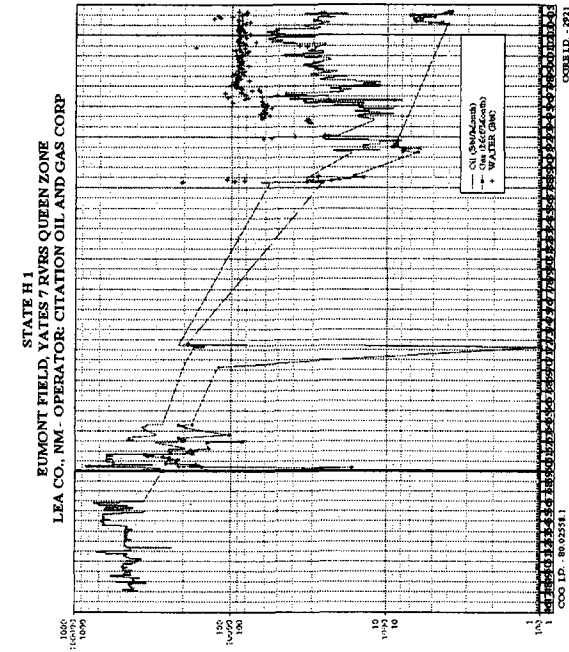
22800 EUMONT; YATES-7 RVRS-QUEEN (OIL)

76480 EUMONT; YATES-7 RVRS-QUEEN (PRO GAS)

23000 EUNICE MONUMENT; GRAYBURG-SAN ANDRES

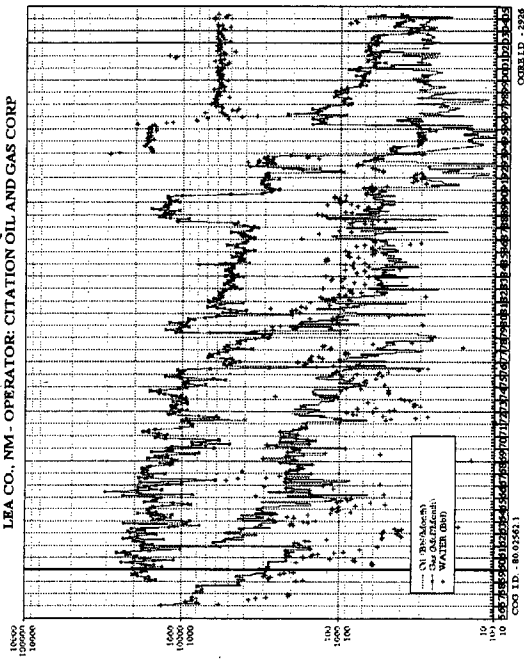
Data for Field from 5/2005 COG NM Form C-115

Month of Prod.	COG WellID	WellName	Field and Pool#	Internal Well Type	Status	Oil BOPM	Gas MCFPM	GOR	Water BWPM	Days On	Date Pulled	Notes
5/1/2005	80.02558.1	STATE H 1	22800	PR		27	380	14,074	90	31	7/21/2005	
5/1/2005	80.02559.1	STATE H 1Y	22800	PR		55	709	12,891	150	31	7/21/2005	
5/1/2005	80.02560.1	STATE H 2	22800	PR		56	1215	21,696	120	31	7/21/2005	
5/1/2005	80.02561.1	STATE H 3Y	22800	PR		83	1239	14,928	360	31	7/21/2005	
5/1/2005	80.02562.1	STATE H 4Y	22800	PR		55	405	7,364	602	31	7/21/2005	
5/1/2005	80.02563.1	STATE H 5	22800	PR		27	253	9,370	240	31	7/21/2005	
5/1/2005	80.02564.1	STATE H 6	22800	PR		27	228	8,444	180	31	7/21/2005	
5/1/2005	80.02565.1	STATE H 7	22800	SR		0	0	--	0	0	7/21/2005	
5/1/2005	80.02566.1	STATE H 8	22800	PR		27	25	926	30	31	7/21/2005	
5/1/2005	80.02567.1	STATE H 4	76480	PR		27	1190	44,074	30	31	7/21/2005	Subject of New Application
5/1/2005	80.03516.1	STATE H 3	22800	SR		0	0	--	0	0	7/21/2005	Planned for Recompletion



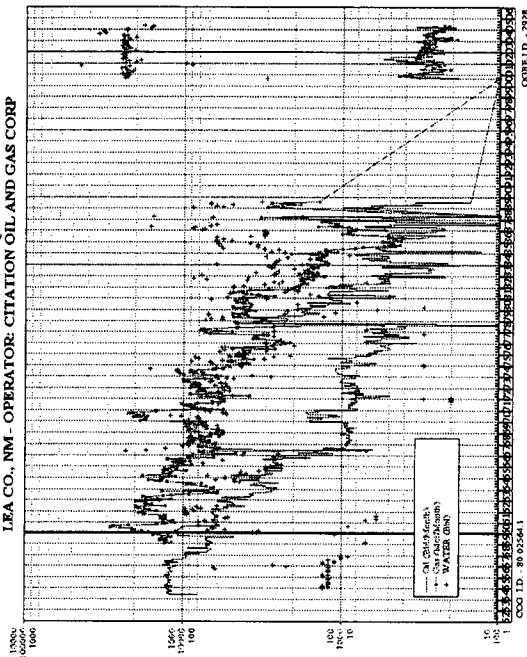


STATE H 47  
EUMONT FIELD, YATES 7 RVS QUEEN ZONE  
LEA CO., NM. - OPERATOR: CITATION OIL AND GAS CORP



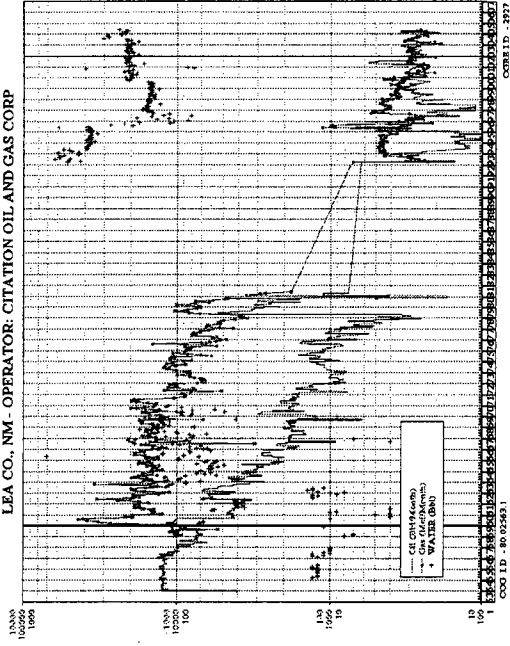
COG ID - 80 02541  
CORE ID - 2956

STATE H 6  
EUMONT FIELD, YATES 7 RVS QUEEN ZONE  
LEA CO., NM. - OPERATOR: CITATION OIL AND GAS CORP



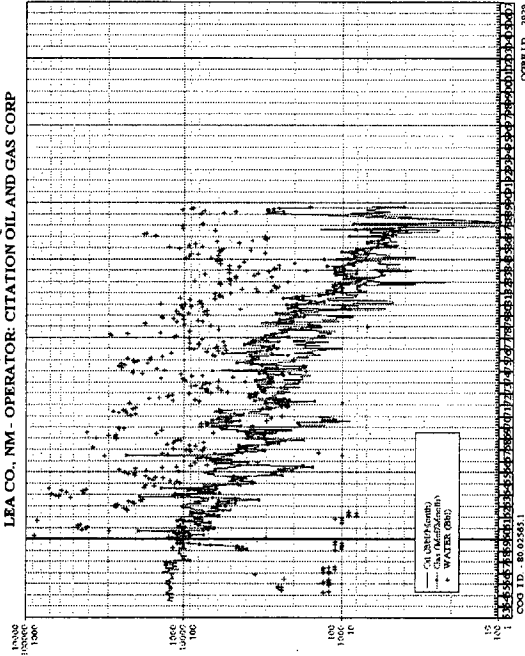
COG ID - 80 02541  
CORE ID - 2958

STATE H 5  
EUMONT FIELD, YATES 7 RVS QUEEN ZONE  
LEA CO., NM. - OPERATOR: CITATION OIL AND GAS CORP



COG ID - 80 02541  
CORE ID - 2957

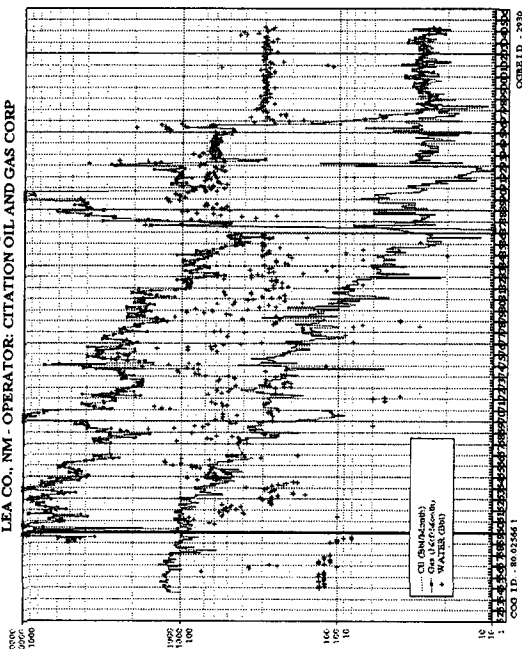
STATE H 7  
EUMONT FIELD, YATES 7 RVS QUEEN ZONE  
LEA CO., NM. - OPERATOR: CITATION OIL AND GAS CORP



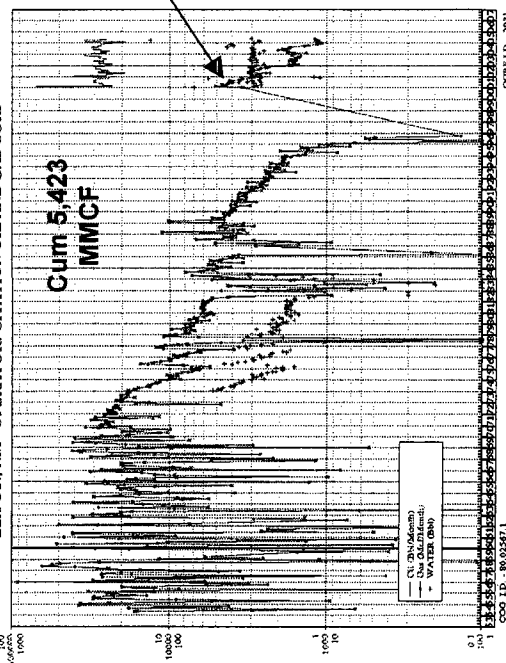
COG ID - 80 02541  
CORE ID - 2959



STATE H 8  
EUMONT FIELD, YATES 7 RYRS QUEEN ZONE  
LEA CO., NM. OPERATOR: CITATION OIL AND GAS CORP

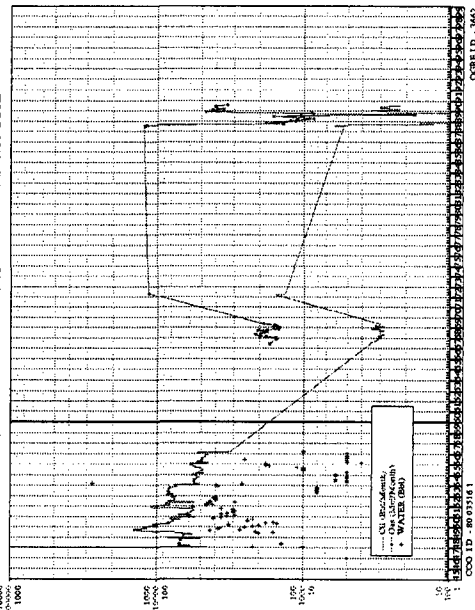


STATE H 4  
EUMONT FIELD, YATES 7 RYRS QUEEN ZONE  
LEA CO., NM. OPERATOR: CITATION OIL AND GAS CORP



Refrac'd in  
2001

STATE H 3  
EUMONT FIELD, YATES 7 RYRS QUEEN ZONE  
LEA CO., NM. OPERATOR: CITATION OIL AND GAS CORP





# H3 – Shut-in Prior to Workover

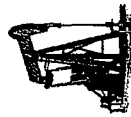
# H3 – Proposed Production Configuration

## CITATION OIL AND GAS CORPORATION CURRENT WELLBORE DIAGRAM AND INFORMATION

Well Name: State H #3 Field: Eumont  
Date: May 12, 2005 Location: 1980' FNL 1260' FEL Section 13  
County: Lea State: New Mexico

## CITATION OIL AND GAS CORPORATION PROPOSED WELLBORE DIAGRAM AND INFORMATION

Well Name: State H #3 Field: Eumont  
Date: May 12, 2005 Location: 1980' FNL 1260' FEL Section 13  
County: Lea State: New Mexico

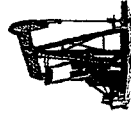


Surface:	1980' FNL and 1260' FEL Sec 13, T1S R35E Lea County, NM
Completed:	8/4/938
Elevation:	3607 (DF)
KB:	10'

CASING DETAIL			
Size	Weight	Depth	
8 5/8"	28	Surf - 1578'	
5 1/2"	14	Surf - 3767'	

8 5/8", 28#, Csg @ 1578'  
Cmt'd w/ 600 ss (cmt'7)

TOC @ 47, 2751' (50% XS)



Surface:	1980' FNL 1260' FEL Section 13, T1S R35E Lea County, NM
Completed:	8/4/938
Elevation:	3607 (DF)
KB:	10'

CASING DETAIL			
Size	Weight	Depth	
8 5/8"	28	Surf - 1578'	
5 1/2"	14	Surf - 3767'	

Morgan C 160-200-74

8 5/8", 28#, Csg @ 1578'  
Cmt'd w/ 600 ss (cmt'7)

TOC @ 47, 2751' (50% XS)

TUBING DETAIL			
Qty	Description	Length	Depth
1	KB	10	10
113	Its 2 3/8", 4.7#, 1.55 lb/g	3503	3513
1	Its 2 3/8", 4.7#, 1.55 lb/g	31	3544
1	2 3/8" SN	1	3545
1	2 3/8" Tbg Sub	4	3549
1	Cavins DZ301G Desander	20	3569
2	Its 2 3/8" BPMA	62	3631

Yates Perfs.  
TBD

Serra Rivers Perfs.  
TBD

CMP @ 3,747' w/ 20' cmt cap  
5 1/2", 14#, Csg @ 3,767'  
Cmt'd w/ 200 ss.

Queen OH: 3,767' to 3907'

Fill to 3828'

TD @ 3,907'

ROD DETAIL			
Qty	Size	Type	Length
1	3/4"	KD Subs	+/- 10
141	3/4"	KD	3,525
1	3/4"	KD Sub	2
Polish Rod: 1 1/4" x 16' w/ 1 1/2" x 10' Liner			
Pump: 2" x 1 1/4" x 12"			

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

Queen OH: 3767' to 3907'

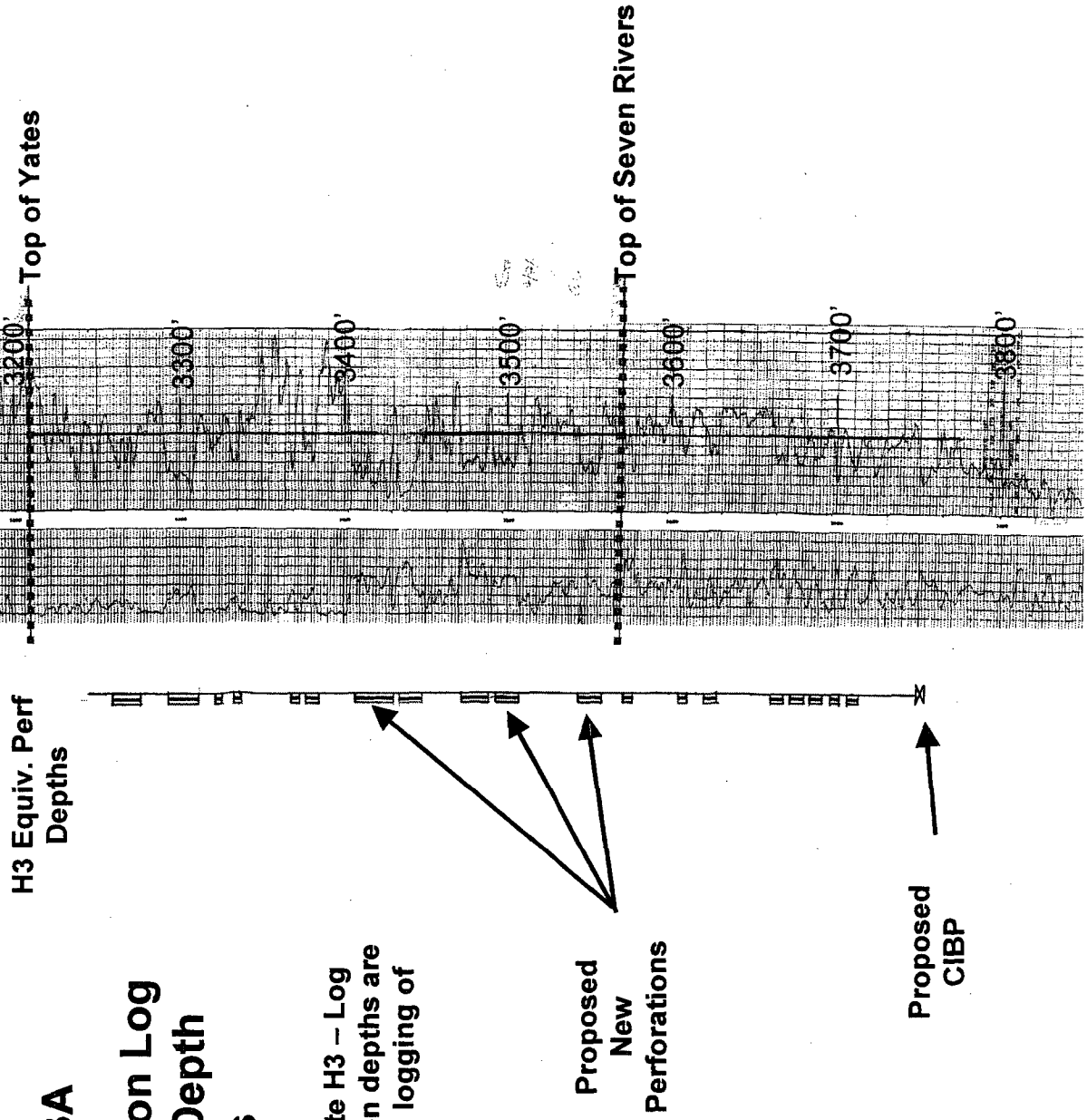
Fill to 3828'

TD @ 3,907'

## State H3 & H3A

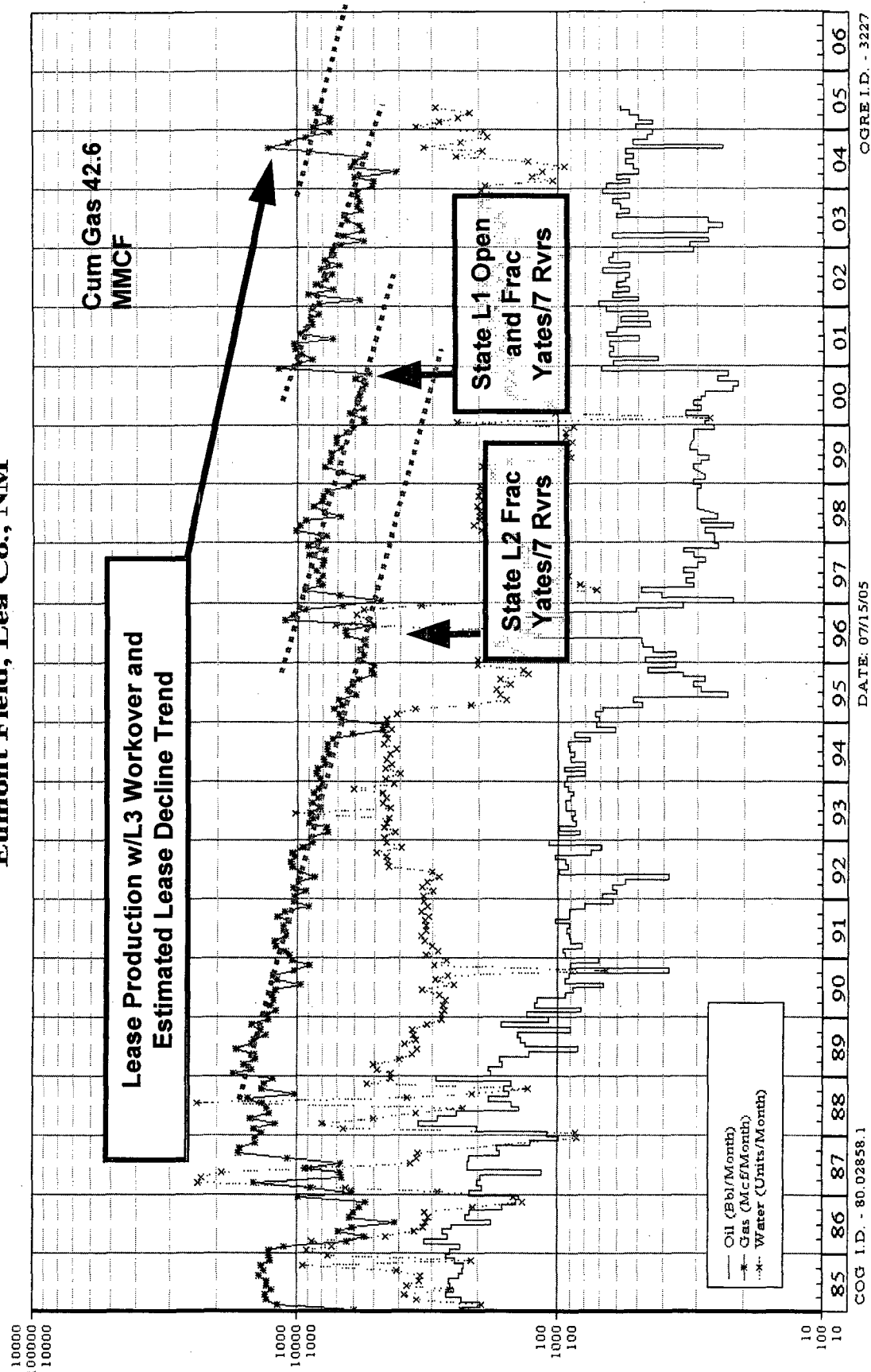
### Gamma Ray Neutron Log with Equivalent Depth Perforations

Note: No log available on State H3 - Log here is the H3A and perforation depths are estimated pending correlation logging of State H3.





State L Lease - Summary Plot  
Citation Oil & Gas Corp.  
Eumont Field, Lea Co., NM





WTA

STATE L 3

EUMONT FIELD  
LEA COUNTY, NM  
OAP and Frac

**Morning Reports with Estimated  
Gas Rates**

CapBudget# 107  
AFE# 040355  
AFE Cost: \$295,000  
COG WI: 100 %  
STATUS: A

8/24/2004	Day: 25 /	<b>Present Operation:</b> Pumping to battery
8/23/04		
24 hrs Pmp'd 0 BO, 2 BW, 319 MCF		FAP = 221' (foam?), TP = 200#, CP = 11# ,
BLWTR = 1248		
Lease Production: 17 BO, 270 BW, 582 MCF		
DC: \$0		CC: \$335,620 TD: P8TD:
8/25/2004	Day: 26 /	<b>Present Operation:</b> Pumping to battery
8/24/04		
24 hrs Pmp'd 1 BO, 4 BW, 326 MCF		FAP - N/A, TP = 200#, CP = 11# , BLWTR =
1244		
Lease Production: 16 BO, 272 BW, 589 MCF		
DC: \$0		CC: \$335,620 TD: P8TD:
8/26/2004	Day: 27 /	<b>Present Operation:</b> Pumping to battery
8/25/04		
24 hrs Pmp'd 0.5 BO, 5 BW, 313 MCF		FAP - 310' (foam), TP = 200#, CP = 7# ,
BLWTR = 1239		
Lease Production: 17 BO, 273 BW, 580 MCF		
DC: \$0		CC: \$335,620 TD: P8TD:
8/27/2004	Day: 28 /	<b>Present Operation:</b> Pumping to battery
8/26/04		
24 hrs Pmp'd 0 BO, 0 BW, 167 MCF		FL @ 86 JFS, FAP - 798', TP = 110#, CP =
18# , BLWTR = 1239 (Comp dn 16 hrs - wtr temp)		
Lease Production: 10 BO, 250 BW, 303 MCF (Comp dn 16 hrs - wtr temp)		

Note: \$6,000 added for moving & setting pumping unit, wrist pin repair & pumping unit base.

DC: \$6,000

CC: \$341,620

TD:

P8TD:

Exhibit 11.



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

Initial Rate = 105 MCFPD  
Est. Economic Limit = 7 MCFPD  
Est. Decline = 15% per Annum

Cum Production = **42,632 MCF 8/2004 to 5/2005**

Remaining Reserve =  $Q = - 365 \times (q_i - q_f) / \ln (1 - D)$

$q_i$  = Initial Rate per Day

$q_f$  = Final Rate per Day

D = Decline Rate (fraction)

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



**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 =  $Q = -365 X (q_i - q_f) / \ln(1 - D)$

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 =  $Q = -365 X (q_i - q_f) / \ln(1 - D)$

Qb = 403,958 MCF - Remaining Lease Reserve  
PRIOR to L1 Work

Change in Reserves from Work on L2 in 1996:

Delta Q =  $(Q_b + Ca) - Q_a$

Therefore, Delta Q = 429,252 MCF (from L2 Work)

**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 Limit = 14 MCFPD  
Est. Decline = 18% per Annum

Remaining Reserve =  $Q = -365 X (q_i - q_f) / \ln(1 - D)$

Qb = 307,009 MCF - Remaining Lease Reserve  
PRIOR to L1 Work

Change in Reserves from Work on L1 in 2000:

Delta Q =  $(Q_b + Ca) - Q_a$

Therefore, Delta Q = 225,030 MCF (from L1 Work)

**Summary of Gross Gas Reserve Additions:**

**Reserves Added by State L2 Frac - 429 MMCF**  
**Reserves Added by State L1 Open Yates & 7**

**Rivers/Queen - 225 MMCF**

**Reserves Added by State L3 Open Yates & 7**  
**Rivers/Queen - 263 MMCF**



### 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 =  $Q = - 365 \times (q_i - q_f) / \ln (1 - D)$

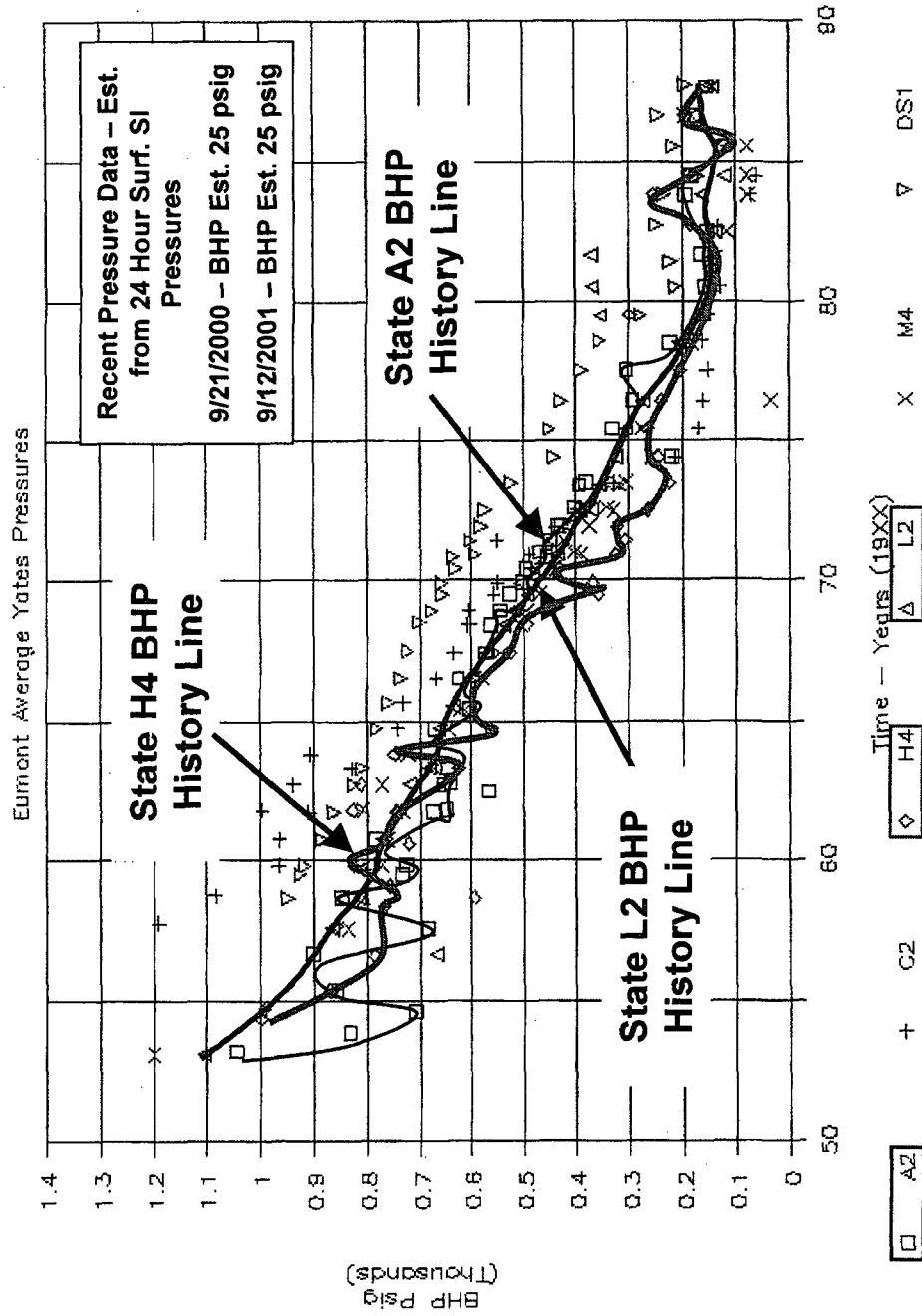
$q_i$  = Initial Rate per Day

$q_f$  = Final Rate per Day

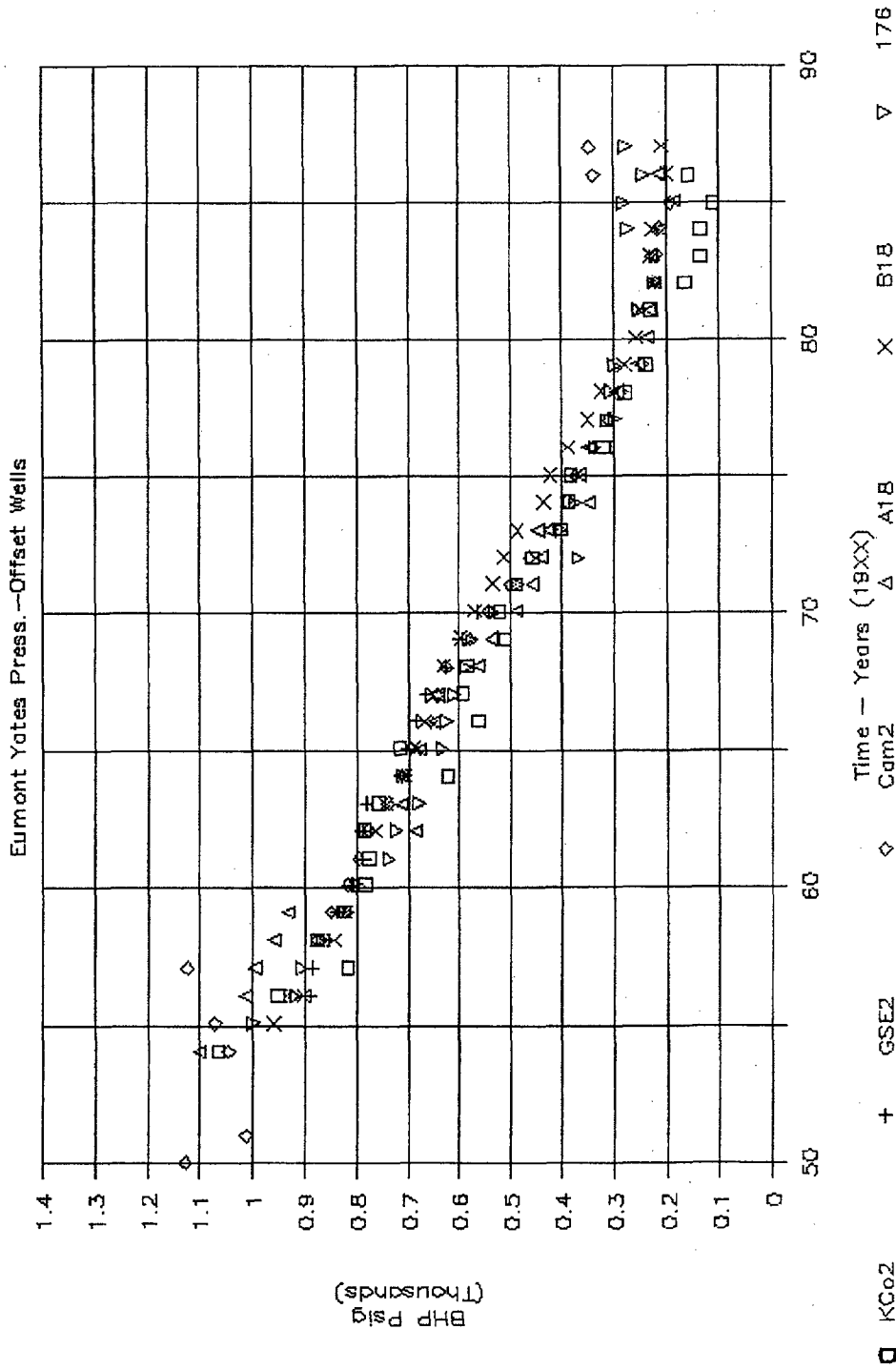
D = Decline Rate (fraction)

**Q = 253,786 MCF**





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



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



COG - Devonian State Gas Production History Yates/7 Rivers  
Initial Production - 1953 in Dev St Comm 1 (Now Dev St 5)

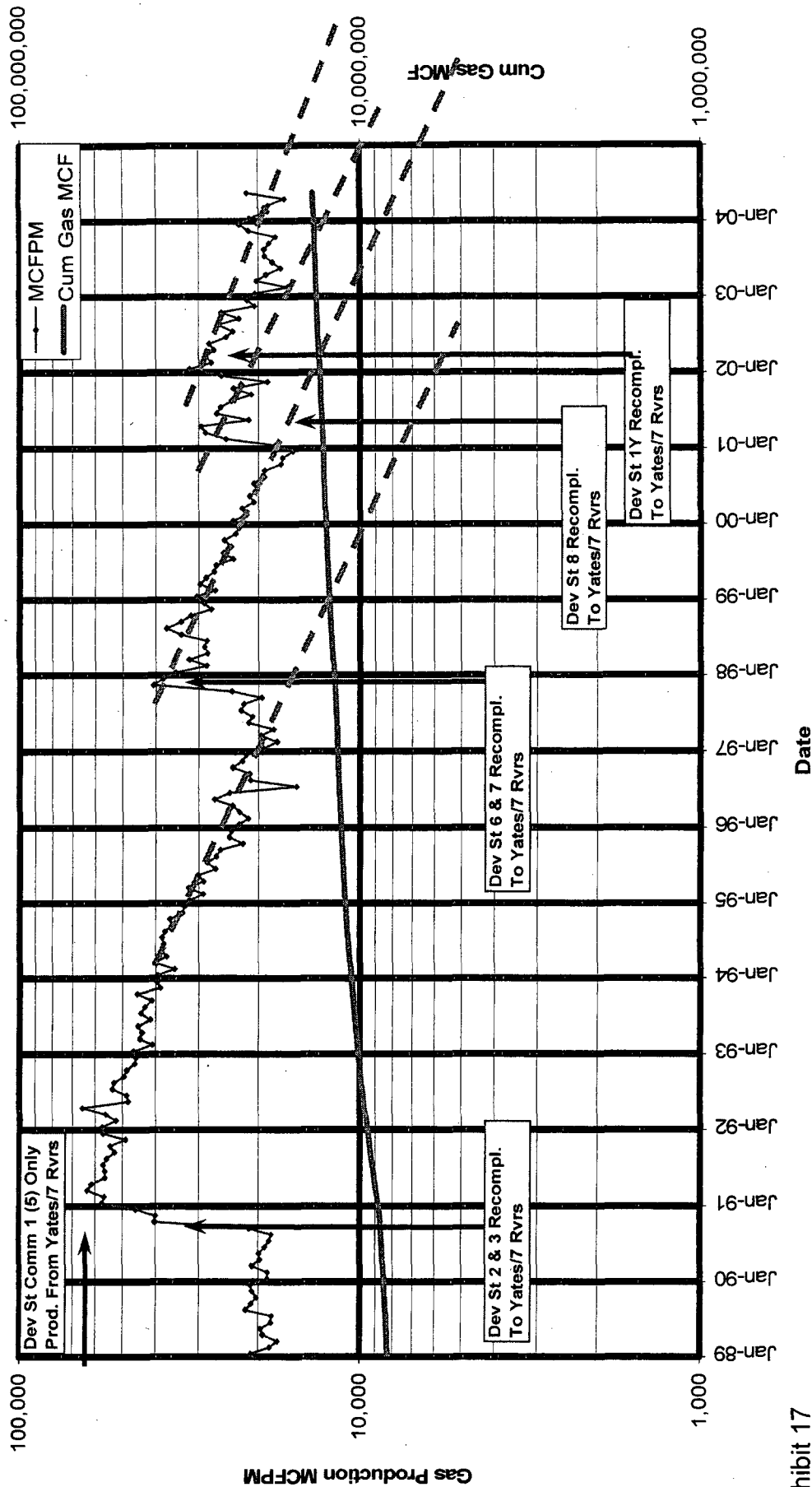


Exhibit 17

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.

**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