

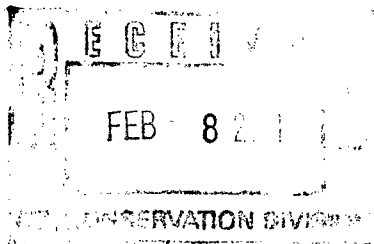
104340012

NSL(SD) 2/28/01



February 2, 2001

State of New Mexico
Energy, Minerals & Natural Resources Dept.
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



ATTN: Mr. Michael Stogner

Re: Administrative Application for Simultaneous Dedication
State L (B-1400) Lease, Wells #1, #2 and #2Y
Eumont Yates Seven Rivers Queen (Pro Gas) Pool
SE/4 Sec. 1, T21S, R35E, Lea County, New Mexico

Dear Mr. Stogner:

Citation Oil & Gas Corp. respectfully requests your approval of this administrative application for Simultaneous Dedication of acreage for the State L #1, #2 and #2Y wells. On February 16, 1998, your office approved Administrative order NSL-3949 (SD) for the State L #2 and #2Y wells due to reclassification of well #2Y from oil to gas. A copy of that Order is attached. The State L #1 well was completed as an oil well on 9/11/1937 and was temporarily abandoned 4/13/1965. On 12/7/2000, it was recompleted to a gas well in the Eumont Yates Seven Rivers Queen (Pro Gas) Pool.

Citation intends to simultaneously dedicate the existing 160 acre Gas Proration Unit currently dedicated to the State L #2 and #2Y gas wells to include the State L #1 well. Approval to this administrative application is requested in order to prevent waste and to have all three wells classified as gas.

Attached is a map showing offset operators, Form C-102 and a copy of Form C-104 for reclassification of the L #1. A copy of this letter and attachments, with waiver to objection forms are being furnished by Certified Mail to offset operators as notice of this application.

If you have any questions or require additional information, please contact me at (281) 517-7194.

Sincerely,

Debra Harris
Production/Regulatory Coordinator

Attachments

cc: NMOCD District I - Hobbs, NM
NM Commissioner of Public Lands Office

**CITATION OIL & GAS CORP.
STATE "L" LEASE**

**Application for Simultaneous Dedication of Acreage
Eumont Yates Seven Rivers Queen (Pro Gas) Pool
SE Sec. 1, T21S, R35E
Lea County, New Mexico**

SURFACE OWNER

**State of New Mexico
Commissioner of Public Lands
P.O. Box 1148
Santa Fe, NM 87504-1148**

**Surface Owner
Sec. 1, T21S, R35E**

OFFSET OPERATORS

**Amerada Hess Corp.
Drawer D
Monument, NM 88265**

**Sec. 1, T21S, R35E, Unit N, SE SW
Unit K, NE SW & Unit C, NE NW**

**Chevron USA, Inc.
P.O. Box 1150
Midland, TX 79702**

**Sec. 6, T21S, R36E; Unit L, NW SW &
Unit M, SW SW
Sec. 7, T21S, R36E; Unit D, NW NW**

**Unichem International, Inc.
P.O. Box 1499
Hobbs, NM 88240**

Sec. 6, T21S, R36E; Unit L, NW SW

CITATION OIL & GAS CORP.

Simultaneous Dedication Application

Dumont Yates Seven Rivers Queen (Pro Gas) Pool

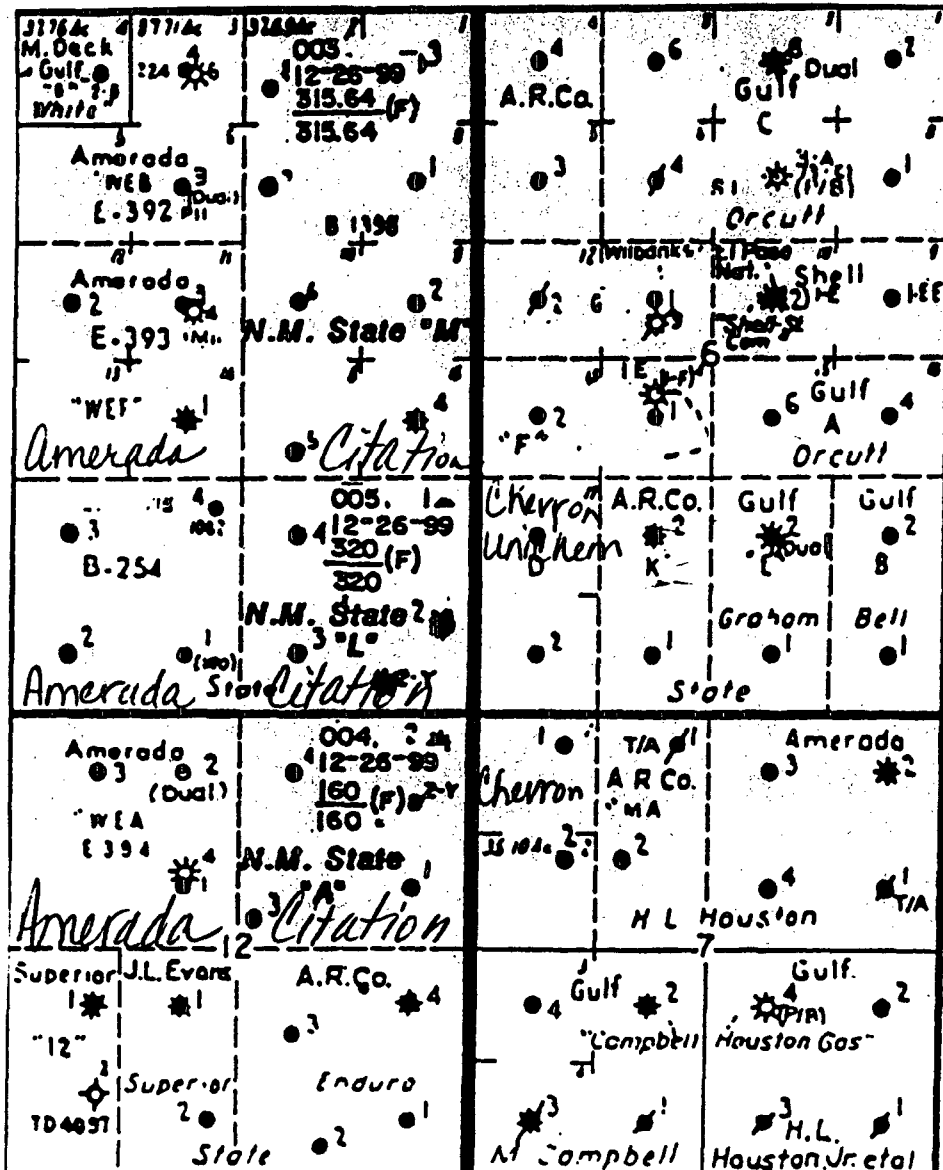
State "L" Lease

Wells #1, #2 and #2Y

SE/4 Sec. 1, T21S, R35E

Lea County, New Mexico

PRORATION UNIT MAP
OFFSET OPERATORS





NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

Eumont file

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

February 16, 1998

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

Administrative Order NSL-3949(SD)

Dear Ms. Harris:

Reference is made to your application dated January 16, 1998 for an unorthodox Eumont gas well location within an existing non-standard 160-acre gas spacing and proration unit ("GPU") for said Eumont Gas Pool comprising the SE/4 of irregular Section 1, Township 21 South, Range 35 East, NMPM, Lea County, New Mexico. Said GPU was established by Division Order No. R-520, dated August 12, 1954 and currently has dedicated thereon the State "L" Well No. 2 (API No. 30-025-03390) located at an unorthodox gas well location 990 feet from the South line and 330 feet from the East line (Unit X) of said irregular Section 1 (see letter of approval dated December 30, 1954).

It is our understanding that the subject well in this application, the State "L" Well No. 2-Y (API No. 30-025-03393), located at a standard oil well location 330 feet from the South line and 990 feet from the East line (Unit X) of said irregular Section 1, was drilled to and completed within the Eumont Gas Pool in 1955. Since that time the State "L" Well No. 2-Y has been classified an "oil well." Recently however this well was reclassified to a Eumont "gas well" and 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, said gas well location is considered to be 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 said State "L" Well No. 2-Y is hereby approved.

Citation Oil & Gas Corporation is hereby authorized to simultaneously dedicate Eumont Gas production from both the State "L" Well Nos. 2 and 2-Y. Furthermore, you are hereby permitted to produce the allowable assigned the subject GPU from both wells in any proportion.

Sincerely,

Lori Wrotenberg
Lori Wrotenberg
Director

LW/MES/kv

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

cc: DH, TC, CM, TR, FF, WF's

District I
PO Box 1980, Hobbs, NM 88241-1980
District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-102
Revised October 18, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-12720		Pool Code 76480	Pool Name Eumont Yates Seven Rivers Queen
Property Code 002834	Property Name State L		Well Number 1
OGRID No. 004537	Operator Name Citation Oil & Gas Corp.		Elevation 3573' 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
Q	01	21S	35E	--	2310	South	330	East	Lea

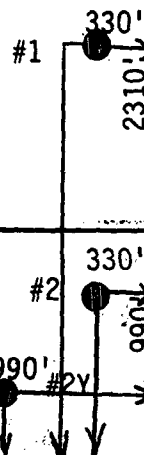
¹¹ Bottom Hole Location If Different From Surface

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 160		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No. Administrative Order NSL-3949 (SD) dated 2/16/98 covering State L #2 & #2Y wells			

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					<p>¹⁷ 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><i>Debra Harris</i> Signature Debra Harris Printed Name Production/Regulatory Coord. Title 02/02/2001 Date</p>
					<p>¹⁸ 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 Signature and Seal of Professional Surveyer: Certificate Number</p>

0 1 State "L" Lease



District I
PO Box 1980, Hobbs, NM 88241-1980

District II
811 South First, Artesia, NM 88210

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

District IV
2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Form C-104

Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

5 Copies

☒ AMENDED REPORT

I. REQUEST FOR ALLOWABLE AND AUTHORIZATION TO TRANSPORT

¹ Operator name and Address Citation Oil & Gas Corp. P.O. Box 690688 Houston, Texas 77269-0688		² OGRID Number 004537
		³ Reason for Filing Code RC
⁴ API Number 30 - 0 25-12720	⁵ Pool Name Eumont Yates Seven Rivers Queen	⁶ Pool Code 76480
⁷ Property Code 002834	⁸ Property Name State L	⁹ Well Number 1

II. 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
Q	1	21S	35E	-	2310	South	330	East	Lea

¹¹ Bottom Hole Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Q	1	21S	35E	-	2310	South	330	East	Lea

¹² Lse Code	¹³ Producing Method Code	¹⁴ Gas Connection Date	¹⁵ C-129 Permit Number	¹⁶ C-129 Effective Date	¹⁷ C-129 Expiration Date
S	P	12/7/00	N/A	N/A	N/A

III. Oil and Gas Transporters

¹⁸ Transporter OGRID	¹⁹ Transporter Name and Address	²⁰ POD	²¹ O/G	²² POD ULSTR Location and Description
037480	EOTT Energy PO Box 4666, Houston, TX 77210-4666	0743310	Oil	Q 01 21S 35E Lea County, NM
009171	Duke/GPM Gas Corporation Bartlesville, OK	0743330	Gas	Q 01 21S 35E Lea County, NM

IV. Produced Water

²³ POD	²⁴ POD ULSTR Location and Description
0743350	Q 01 21S 35E Lea County, NM

V. Well Completion Data

²⁵ Spud Date	²⁶ Ready Date	²⁷ TD	²⁸ PBDT	²⁹ Perforations	³⁰ DHC, DC, MC
8/3/1937 (original)	12/7/2000 (this compl.)	3873'	3645'	2922' - 3330'	-
³¹ Hole Size	³² Casing & Tubing Size	³³ Depth Set	³⁴ Sacks Cement		
17-1/2"	12-1/2"	171'	150		
Unknown	9-5/8"	1360'	375		
8-3/4"	7"	3723'	225		

VI. Well Test Data

³⁵ Date New Oil	³⁶ Gas Delivery Date	³⁷ Test Date	³⁸ Test Length	³⁹ Tbg. Pressure	⁴⁰ Csg. Pressure
12/7/00	12/7/00	12/10/00	24 hrs	200	6
⁴¹ Choke Size	⁴² Oil	⁴³ Water	⁴⁴ Gas	⁴⁵ AOF	⁴⁶ Test Method
-	0	5	201	201	P

⁴⁷ I hereby certify that the rules of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature: *Debra Harris*
Printed name: Debra Harris
Title: Production/Regulatory Coordinator
Date: 1/31/2001 Phone: (281) 517-7194

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

⁴⁸ If this is a change of operator fill in the OGRID number and name of the previous operator

Previous Operator Signature	Printed Name	Title	Date