



OIL CONSERVATION DIVISION  
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December 3, 1992

New Mexico State Energy  
and Mineral Dept.  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Ben Stone

Re: Surface Commingling Request  
Additional Information  
State C, N, M Leases  
Eumont Field  
Yates 7 Rivers Queen  
Lea County, NM

Dear Mr. Stone:

Per our conversation today I am sending you the following information you requested.

The only interested party to the above leases is the Commissioner of public lands in the State of New Mexico. A copy of the two letters is being sent to that dept. along with a copy of the enclosed plat. There are no other operators or interested parties involved. All the wells are in the Eumont Yates 7 Rivers Queen field.

If you need additional information, please contact me at 713-469-9664. Thank you.

Respectfully submitted,

Sharon E. Ward  
Production Regulatory Supv

OIL CONSERVATION DIVISION  
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November 11, 1992

New Mexico State Energy  
and Minerals Dept.  
Oil Conservation Division  
P.O. Box 2088  
Santa Fe, New Mexico 87501

Attn: Michael Stogner

Re: Surface Commingling Request  
State C-2, State N-2  
Eumont Field  
Lea County, New Mexico

Dear Mr. Stogner:

Citation Oil & Gas Corp. requests approval to reactivate and commingle the Eumont Field, State C-2 and State N-2 prorated gas wells with Citation's Eumont Field C and N leases.

As shown on the attached schematic, the gas well gas produced volumes from the C-2 and N-2 wells will be metered individually prior to commingling with the casing head gas produced on Citation's Eumont Field C and N leases.

For allocation purposes the gas well gas volumes will be held whole. Estimated production from the State C-2 well is 100 MCFD and the estimated production from the State N-2 well is 110 MCFD.

If you need additional information, please contact me at 713-469-9664. Thank you.

Respectfully requested,

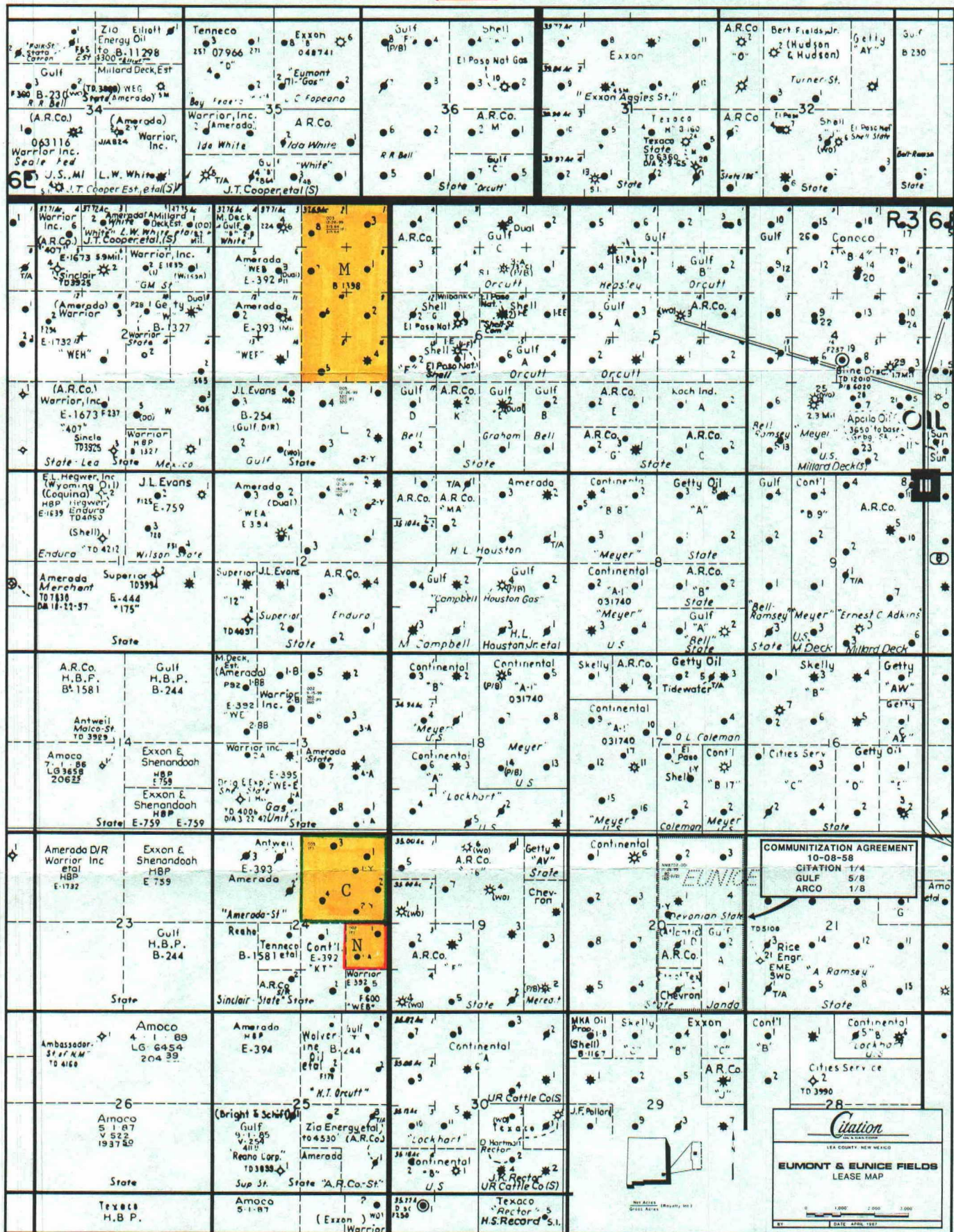
A handwritten signature in cursive script that reads "Sharon E. Ward".

Sharon E. Ward  
Production Regulatory Supv



Citation Oil & Gas Corp.  
Eumont Field (Yates 7 Rivers Queen)

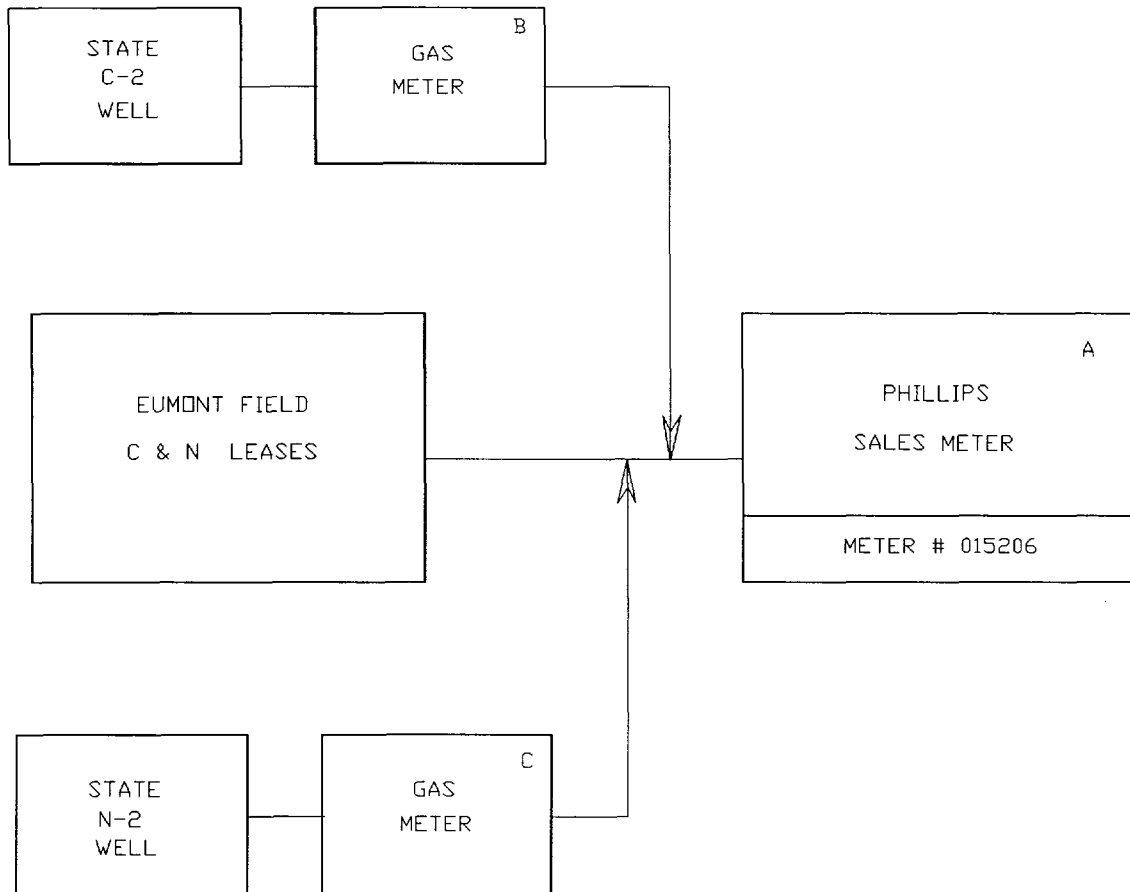
State C Lease        Sec. 24, 21S, 35E WELL NO 2  
State M Lease        Sec. 1, 21S, 35E " 4  
State N Lease        Sec. 24, 21S, 35E " 2







EUMONT FIELD C & N LEASES  
GAS FLOW SCHEMATIC



GAS ALLOCATION FORMULA

Phillips Sales Volume  
State C-2 Gas Volume  
State N-2 Gas Volume  
Eumont Field C & N Leases

$$\frac{A}{\text{(Gas Well Gas)}} \div \frac{B}{\text{(Gas Well Gas)}} \div \frac{C}{\text{(Casing Head Gas)}} \div \frac{A-B-C}{A-B-C}$$



JIM BACA  
COMMISSIONER

State of New Mexico  
OFFICE OF THE  
Commissioner of Public Lands  
Santa Fe

P.O. BOX 1148  
SANTA FE, NEW MEXICO 87504-1148

December 15, 1992

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

Attn: Ms. Sharon E. Ward

Re: Surface Commingling  
State C-2, State N-2 Lease  
Lea County, New Mexico

Dear Ms. Ward:

This office is in receipt of your letter of December 4, 1992, wherein you have requested approval to surface commingle gas from the Eumont Field State C-2 and N-2 wells with the casing head gas produced from the Eumont Field C and N State Lease Well Nos. 1, 1Y, 2, 2Y, 3, 4 and State N Well Nos. 1 and 1Y. The C wells are located in the NE $\frac{1}{4}$  of Section 24, 21S, 35E, B-1400-14. The N wells are located in the NE $\frac{1}{4}$ SE $\frac{1}{4}$  Section 24, 21S, 35E, B-1167-51.

We have derived the following information from your request:

1. Gas produced from the C-2 wells will be metered individually prior to commingling with the casing head gas produced on Citations's Eumont Field C and N lease wells.
2. All the wells are currently completed in the Yates Rivers Queen pool.
3. There will be no change in the price of the commingled production.
4. All leases are located on State Lease Nos. B-1400-14 and B-1167-51.

Since it appears that there will be no loss of revenue to the State of New Mexico as a result of your proposed operation,

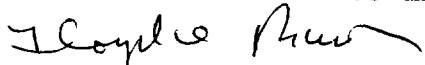
Citation Oil & Gas Corporation  
December 15, 1992  
Page 2

your surface commingling request is hereby approved. Any deviation from the substance of your request will be sufficient grounds for rescinding our approval. Our approval is subject to like approval by the New Mexico Oil Conservation Division.

If you have any questions, or if we may be of further help, please contact Pete Martinez at (505) 827-5791.

Very truly yours,

JIM BACA  
COMMISSIONER OF PUBLIC LANDS

BY:   
FLOYD O. PRANDO, Director  
Oil/Gas and Minerals Division  
(505) 827-5744  
JB/FOP/pm  
encls.  
cc: Reader File