



OIL CONSERVATION DIVISION
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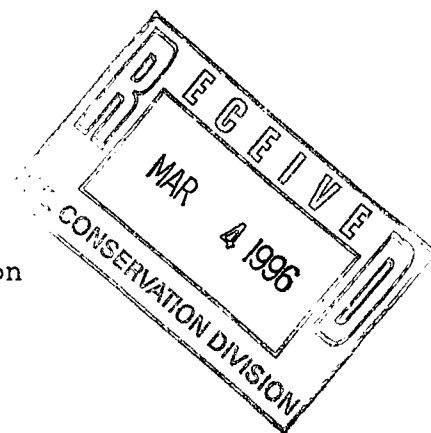
MAR 1 1996

March 1, 1996

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

Attn: Mr. William J. LeMay - Director

RE: Administrative Application For Unorthodox
Gas Well Location and Simultaneous Dedication
Eumont Yates 7 Rivers Queen (Pro Gas) Pool
710' FSL & 660' FEL
Section 20, T21S, R36E
Lea County, New Mexico



Dear Mr. LeMay:

Citation Oil & Gas Corp. respectfully requests your approval of this administrative application for the subject Unorthodox Gas Well Location and Simultaneous Dedication.

Citation plans to drill and complete the **Devonian State Com. No. 2** in the Eumont Yates 7 Rivers Queen (Pro Gas) Pool. It is our desire to also simultaneously dedicate the existing 320-acre Eumont Gas Proration Unit assigned to our Devonian State Com. No. 1 [Administrative Order NSP-488] to three wells, the Devonian State Com. No. 1, the Devonian State Com. No. 2 and the Devonian State Com. No. 3. The latter well is covered in a separate application.

As a result, the proposed location of the Devonian State No. 2 of 710' FSL & 660' FEL, Unit Letter P of Section 20, T21S, R36E, NMPM, Lea County, New Mexico is unorthodox.

In order to prevent waste, Citation respectfully requests your approval of this administrative application for an unorthodox gas well location and simultaneous dedication. Attached is a map showing offset operators and a series of Form C-102 plats showing the location of the wells to be dedicated to this 320-acre Eumont Gas Proration Unit. A copy of this letter and attachments, along with waiver to objection forms are being furnished by Certified Mail to offset operators as their notice of this application.

If you have any questions, or require any further information concerning this application, please contact the undersigned at 713-469-9664.

Sincerely,

Sharon Ward
Regulatory Supv.

cc: NMOCD District I - Hobbs

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

District II
PO Drawer DD, Artesia, NM 88211-0719

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

District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

Form C-102
Revised February 10, 1994
Instructions on back
o Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

WELL LOCATION AND ACREAGE DEDICATION PLAT

' API Number	' Pool Code	' Pool Name
35-025-04728		Eumont Yates 7 Rivers Queen (Pro Gas)
' Property Code	' Property Name	' Well Number
	Devonian State Com.	1
' OGRID No.	' Operator Name	' Elevation
004537	Citation Oil & Gas Corp.	

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	20	21S	36E		1980	North	1980	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
320						NSP-488			

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		1980		
		1 ●	1980	
		○ 3		
			○ 2	

17 OPERATOR CERTIFICATION

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

Sharon Ward

Signature _____

Sharon Ward

Printed Name _____

Regulatory Supv.

Title _____

2-21-96

Date _____

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 _____

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		76480	Eumont Yates Seven Rivers Queen (Pro Gas)
Property Code	Property Name		Well Number
002821	Devonian State Com		3
OGRID No.	Operator Name		Elevation
004537	Citation Oil & Gas Corp.		3612 est

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	20	21S	36E		1980	South	1980	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
320						NSP-488			

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Sharon Ward</u> Signature <u>Sharon Ward</u> Printed Name <u>Regulatory Supv.</u> Title <u>2-21-96</u> Date
			640 3 1980	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

Unorthodox Location and
Simultaneous Dedication Application
Eumont Yates Seven River Queen (Pro Gas) Pool
710' FSL & 660' FEL
Section 20, T-21-S, R-36-E
Lea County, New Mexico

[illegible]

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		76480	Eumont Yates Seven Rivers Queen (Pro Gas)
Property Code	Property Name		Well Number
002821	Devonian State Com		2
OGRID No.	Operator Name		Elevation
004537	Citation Oil & Gas Corp.		3620 est

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	20	21S	36E		710	South	660	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
¹² Dedicated Acres		¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ Order No.			
320						NSP-488			

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 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 Supv. Title 2-21-96 Date
					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 Surveyer: Certificate Number

Diagram showing well location with coordinates 710 and 660.

CITATION OIL & GAS CORP.
DEVONIAN STATE COM (NSP-488) LEASE

Application for an Unorthodox
Gas Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates Seven Rivers Queen (Pro Gas)
Section 20, T-21S, R-36E
Lea County, New Mexico

OFFSET OPERATORS

Arco Oil & Gas Company
P O Box 1610
Midland, Texas 79702

NW/4 SE/4 Sec. 20, T21S, R36E

Lewis B. Burleson, Inc.
P O Box 2479
Midland, Texas 79702

NE/4 NW/4 Sec. 29, T21S, R36E

Chevron U. S. A. Inc.
P O Box 1150
Midland, Texas 79702

SW/4 SE/4; E/2 SE/4 Sec. 20;
W/2 Sec. 21; W/2 SE/4 Sec. 17;
SW/4 Sec. 16, T21S, R36E

Conoco Incorporated
10 Desta Drive, Ste 100W
Midland, Texas 79705

E/2 SE/4 Sec. 17; W/2 Sec. 20;
NW/4 NW/4 Sec. 28, T21S, R36E

John H. Hendrix Corp.
P O Box 3040
Midland, Texas 79702-3040

NE/4 Sec. 29, T21S, R36E

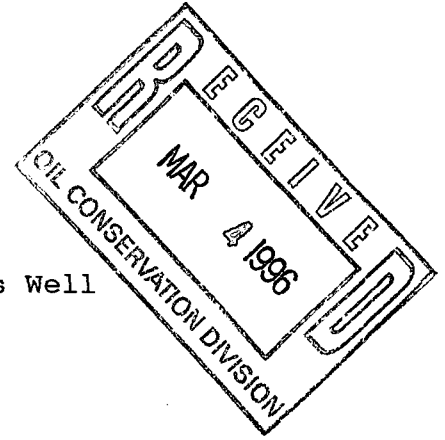


March 1, 1996

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

Attn: Mr. William J. LeMay - Director

RE: Administrative Application For Unorthodox Gas Well
Location and Simultaneous Dedication
Eumont Yates 7 Rivers Queen (Pro Gas) Pool
640' FWL of 320 Acre Proration Unit
1980' FSL & 1980' FEL
Section 20, T21S, R36E
Lea County, New Mexico



Dear Mr. LeMay:

Citation Oil & Gas Corp. respectfully requests your approval of this administrative application for the subject proposed reentry of the plugged and abandoned well previously known as the Arco State "D" # 1 wellbore for an Unorthodox Gas Well Location and Simultaneous Dedication.

Citation plans to reenter and complete the **Devonian State Com. No. 3** (formerly the Arco State "D" #1) in the Eumont Yates 7 Rivers Queen (Pro Gas) Pool. It is our desire to also simultaneously dedicate the existing 320-acre Eumont Gas Proration Unit assigned to our Devonian State Com. No. 1 [Administrative Order NSP-488] to three wells, the Devonian State Com. No. 1, the Devonian State Com. No. 2 and the Devonian State Com. No. 3. The Devonian State Com No. 2 well is covered in a separate application.

In order to prevent waste, Citation respectfully requests your approval of this administrative application for an unorthodox gas well location of this proposed reentry of the Arco State "D" #1 well and simultaneous dedication. Attached is a map showing offset operators and a series of Form C-102 plats showing the location of the wells to be dedicated to this 320-acre Eumont Gas Proration Unit. A copy of this letter and attachments, along with waiver to objection forms are being furnished by Certified Mail to offset operators as their notice of this application.

If you have any questions, or require any further information concerning this application, please contact the undersigned at 713-469-9664.

Sincerely,

Sharon Ward
Regulatory Supv.

cc: NMOCD District I - Hobbs/Mr. J. T. Sexton

CITATION OIL & GAS CORP.
DEVONIAN STATE COM (NSP-488) LEASE

Application for a Proposed
Reentry of an Existing P&A'd Wellbores
Unorthodox Well Location
and
Simultaneous Dedication of Acreage
Eumont Yates Seven Rivers Queen (Pro Gas)
Section 20, T-21S, R-36E
Lea County, New Mexico

OFFSET OPERATORS

Arco Oil & Gas Company
P O Box 1610
Midland, Texas 79702

NW/4 SE/4 Sec. 20, T21S, R36E

Lewis B. Burleson, Inc.
P O Box 2479
Midland, Texas 79702

NE/4 NW/4 Sec. 29, T21S, R36E

Chevron U. S. A. Inc.
P O Box 1150
Midland, Texas 79702

SW/4 SE/4; E/2 SE/4 Sec. 20;
W/2 Sec. 21; W/2 SE/4 Sec. 17;
SW/4 Sec. 16, T21S, R36E

Conoco Incorporated
10 Desta Drive, Ste 100W
Midland, Texas 79705

E/2 SE/4 Sec. 17; W/2 Sec. 20;
NW/4 NW/4 Sec. 28, T21S, R36E

John H. Hendrix Corp.
P O Box 3040
Midland, Texas 79702-3040

NE/4 Sec. 29, T21S, R36E

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-9719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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Revised February 10, 1994
Instructions on back
Submit to Appropriate District Office
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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 35-025-04728		Pool Code 76480	Pool Name Eumont Yates 7 Rivers Queen (Pro Gas)
Property Code 002821	Property Name Devonian State Com.		Well Number 1
OGRID No. 004537	Operator Name Citation Oil & Gas Corp.		Elevation

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	20	21S	36E		1980	North	1980	East	Lea

¹¹ Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	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-488				

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16			1980		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 Supv. Title 2-20-96 Date
			1	1980	
			3		
			2		
					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

District I
PO Box 1980, Hobbs, NM 88241-1980
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PO Drawer DD, Artesia, NM 88211-0719
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1000 Rio Brazos Rd., Aztec, NM 87410
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PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		76480	Eumont Yates Seven Rivers Queen (Pro Gas)
Property Code	Property Name		Well Number
002821	Devonian State Com		2
OGRID No.	Operator Name		Elevation
004537	Citation Oil & Gas Corp.		3620 est

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
8(P)	20	21S	36E		710'	South	660'	East	Lea

¹¹ Bottom Hole Location If Different From Surface

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

¹² Dedicated Acres	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
320			NSP-488

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief <u>Sharon Ward</u> Signature <u>Sharon Ward</u> Printed Name <u>Regulatory Supv</u> Title <u>2-20-96</u> Date
				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
			2 710' 660'	

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
Santa Fe, NM 87504-2088

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WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number		2 Pool Code		3 Pool Name	
		76480		Eumont Yates Seven Rivers Queen	
4 Property Code		5 Property Name			6 Well Number
002821		Devonian State Com			3
7 OGRID No.		8 Operator Name			9 Elevation
004537		Citation Oil & Gas Corp.			3612 est.

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
G	20	21S	36E		1980	South	1980	East	Lea

11 Bottom Hole Location If Different From Surface

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

12 Dedicated Acres	13 Joint or Infill	14 Consolidation Code	15 Order No.
320			NSP-488

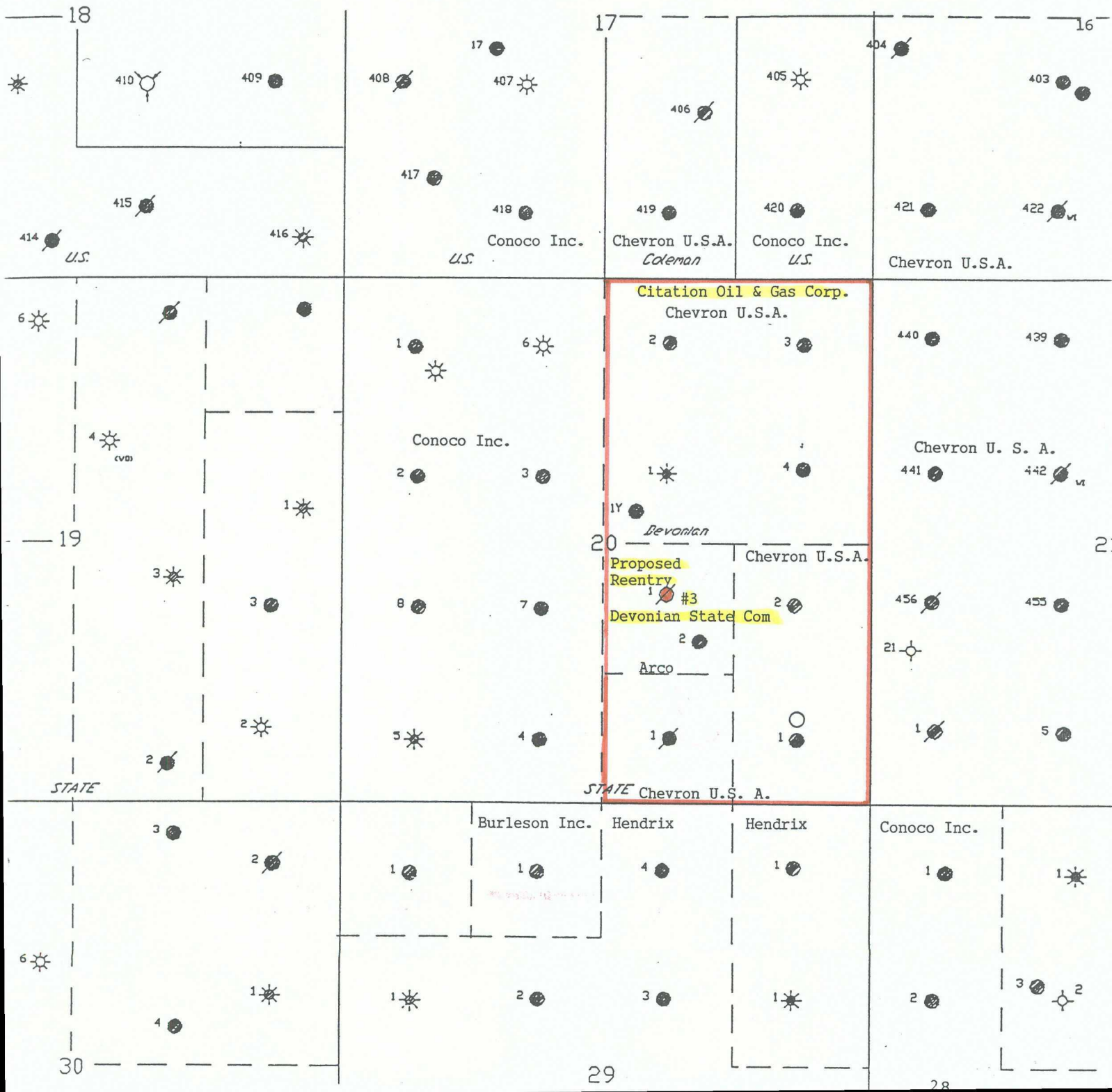
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OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16				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 Supv. Title 2-20-96 Date
				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

CITATION OIL & GAS CORP.
Devonian State Com Lease
Well No. 3

Unorthodox Location and
Simultaneous Dedication Application
Eumont Yates Seven Rivers Queen (Pro Gas) Pool
640' FWL of 320 Acre Proration Unit
1980' FSL & 1980' FEL
Section 20, T-21-S, R-36-E
Lea County, New Mexico

PRORATION UNIT MAP
OFFSET OPERATORS



DATE: 3-28-96TO: Michael StognerFROM: Sharon Ward

FAX #: _____

The following document(s) consist of _____ pages including this cover page. Please contact _____ at (713) 469-9664 if a problem arises in the transmission of this document.

Thank you.

Message: This is the one evening person here has agreed upon. 50' to the west. Please disregard the previous one sent to you this morning.

Telecopier #: (713) 469-9667

Sharon Ward

District I
PO Box 1988, Hobbs, NM 88241-1988
District II
PO Drawer DD, Artesia, NM 88211-0719
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
PO Box 2088
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WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number		Pool Code	Pool Name
		76480	Eumont Yates Seven Rivers Queen (Pro Gas)
Property Code	Property Name		Well Number
002821	Devonian State Com		2
OGRID No.	Operator Name		Elevation
004537	Citation Oil & Gas Corp.		3611

10 Surface Location

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
P	20	21S	36E		710	South	760	East	Lea

11 Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Ida	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres		Join or Infill		Consolidation Code		Order No.			
320						NSP-488			

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 hereby certify that the information contained herein is true and complete to the best of my knowledge and belief. Signature: <u>Sharon Ward</u> Printed Name: <u>Sharon Ward</u> Title: <u>Regulatory Supv.</u> Date: <u>3-28-96</u>
				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: _____



DATE: 3-28-96

TO: Michael Stogner

FROM: Sharon Ward

FAX #: _____

The following document(s) consist of 5 pages including this cover page. Please contact _____ at (713) 469-9664 if a problem arises in the transmission of this document.

Thank you.

Message:

*if you need any further info .
please contact me @ 713-469-9664*

Telecopier #: (713) 469-9667

11:00AM 3/28/96

Hold this, location not final!

☐ Call for pickup

For Lease - 3 Copies

678
3239
12641

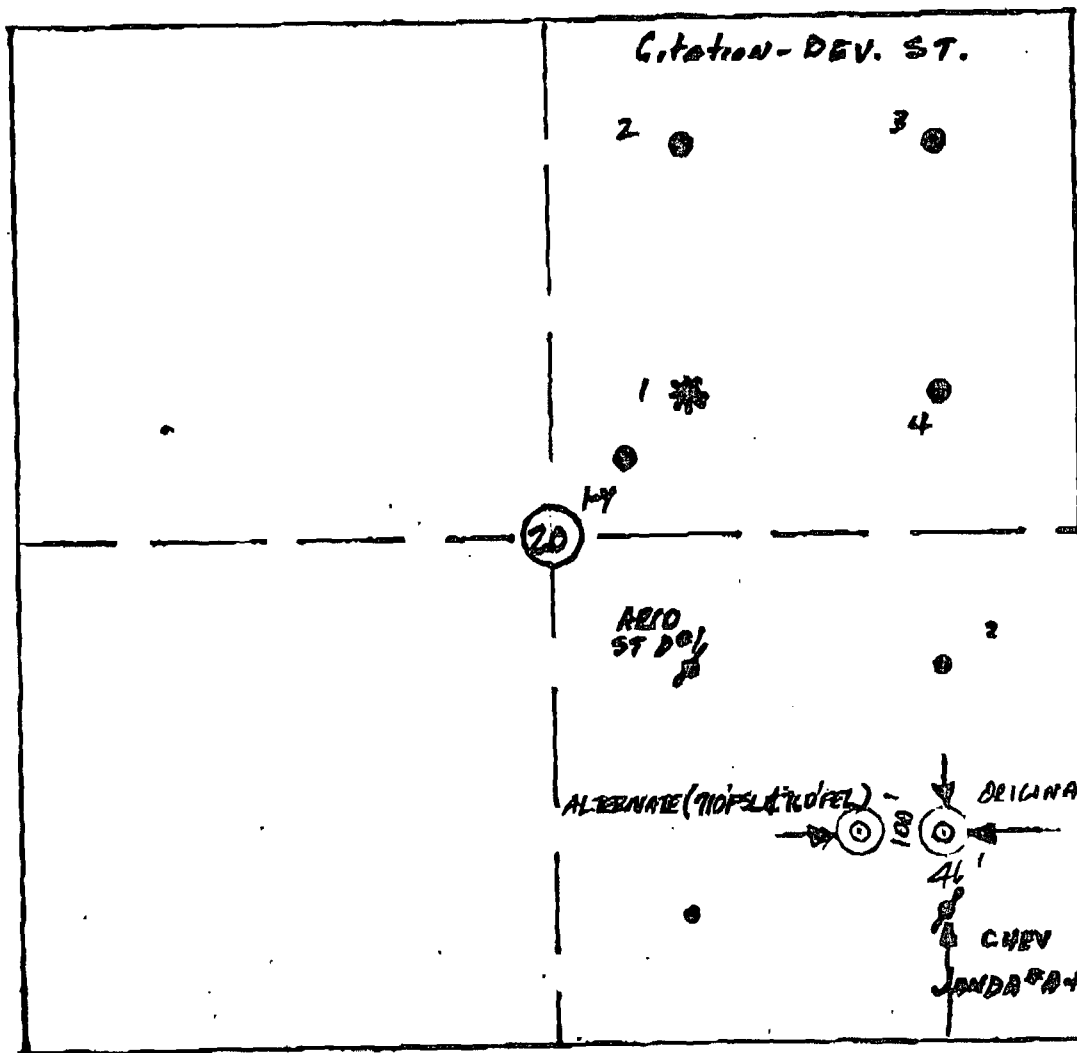
DEVONIAN STATE Com #2

EUMONT FIELD - LEA CO., NM

J.E

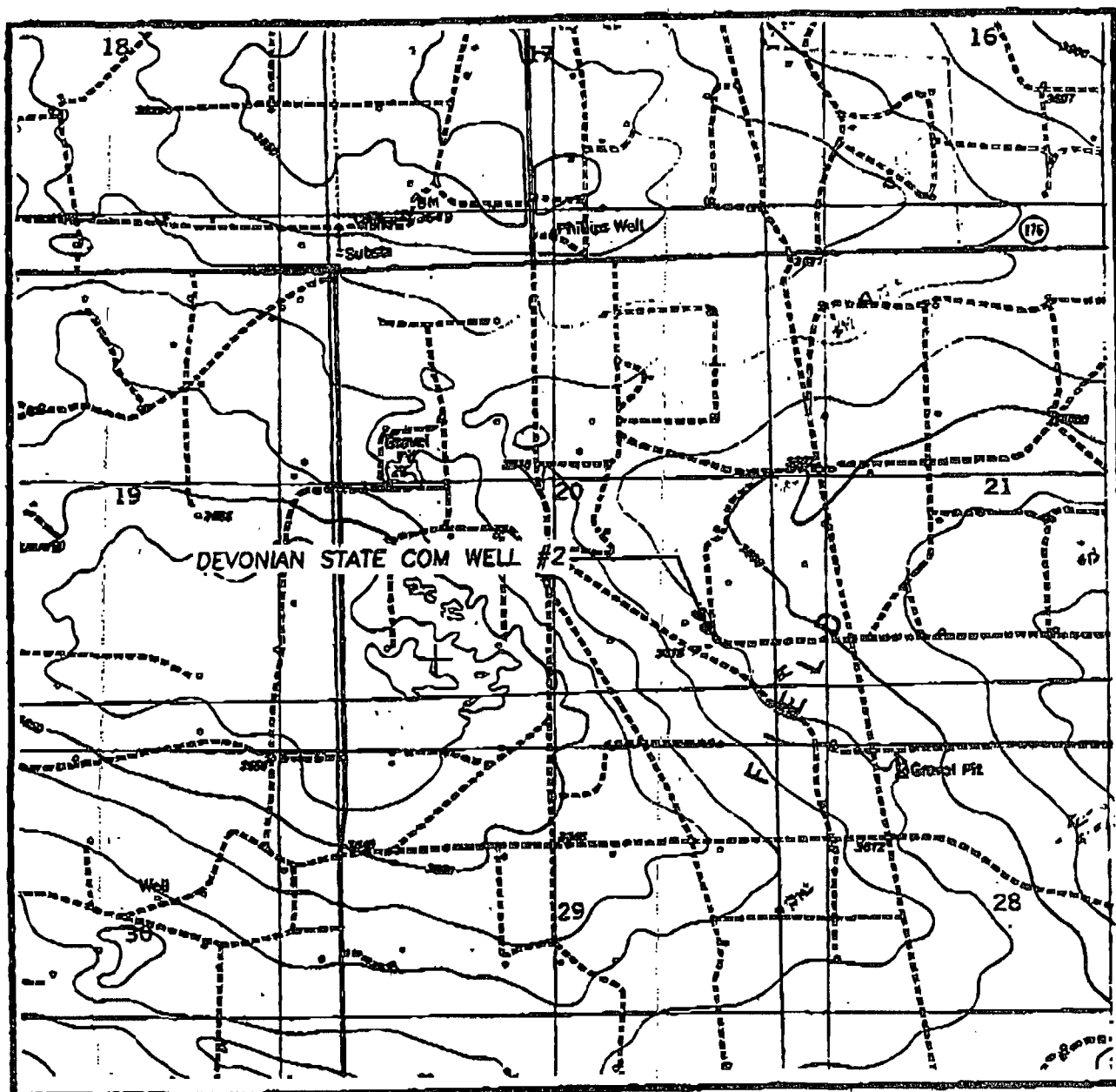
3/8/96

ORIGINAL LOCATION STAKED AT 710' FSL & 660' FEL SEC 20, T-21S R-36E
 ALTERNATE LOCATION STAKED AT 710' FSL & 760' FEL SEC 20, T-21S, R-36E



NOTE: ORIGINAL STAKE ONLY 46' NORTH F/JANDA "A" #1
 ALTERNATE STAKE ± 110' NW F/JANDA "A" #1.

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
OIL CENTER - 10'

SEC. 20 TWP. 21-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 710' FSL & 760' FEL

ELEVATION 3511

OPERATOR CITATION OIL & GAS CORP.

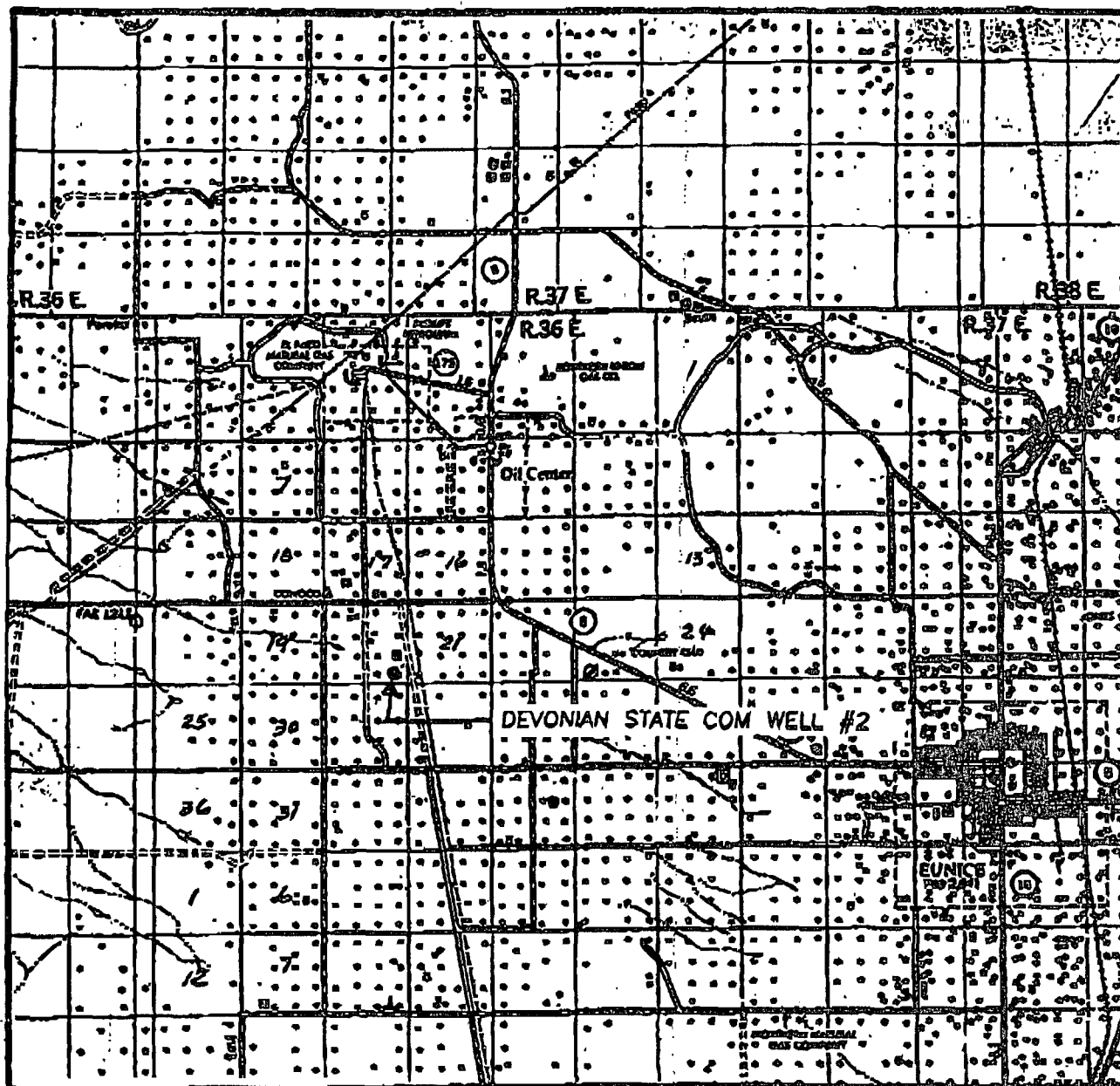
LEASE DEVONIAN STATE COM

U.S.G.S. TOPOGRAPHIC MAP

OIL CENTER, N.M.

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 20 TWP. 21-S RGE. 36-E

SURVEY N.M.P.M.

COUNTY LEA

DESCRIPTION 710' FSL & 760' FEL

ELEVATION 3611

OPERATOR CITATION OIL & GAS CORP.

LEASE DEVONIAN STATE COM

JOHN WEST ENGINEERING
HOBBS, NEW MEXICO
(505) 393-3117



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

BILL RICHARDSON

Governor

Joanna Prukop

Cabinet Secretary

August 12, 2004

Mark E. Fesmire, P.E.

Director

Oil Conservation Division

Citation Oil & Gas Corp.

c/o **W. Thomas Kellahin**

P. O. Box 2265

Santa Fe, New Mexico 87504

Administrative Order NSL-3646-A (SD)

Dear Mr. Kellahin:

Reference is made to the following: (i) Citation Oil & Gas Corp.'s ("Citation") initial application (*administrative application reference No. pSEM0-415530641*) filed with the New Mexico Oil Conservation Division ("Division") on June 1, 2004 by Ms. Sharon Ward; (ii) Ms. Ward's two letters with supplemental data submitted to the Division on June 28 and July 6, 2004; (iii) your e-mail to Mr. Michael E. Stogner, Hearing Officer/Engineer with the Division in Santa Fe, on Monday, July 12, 2004; (iv) your telephone conversation with Mr. Stogner Tuesday morning, July 13, 2004; (v) your addendum to Ms. Ward's original application filed with the Division on July 22, 2004; (vi) your second e-mail to Mr. Stogner on Friday morning, August 6, 2004 concerning this application; (vii) Mr. Stogner's voice-mail message to you Friday afternoon, August 6, 2004; (viii) your telephone conversation with Mr. Stogner Tuesday afternoon, August 10th; (ix) your letter dated August 11, 2004 with supplemental data to support this application; and (x) the Division's records in Hobbs and Santa Fe, including the files on Division Administrative Orders NSP-488 and NSL-3646 (SD) and Division Case No. 11638 (see Division Order No. R-10868): all concerning Citation's plans for additional development of the Eumont Gas Pool (**76480**) within the existing non-standard 320-acre stand-up gas spacing unit comprising the E/2 of Section 20, Township 21 South, Range 36 East, NMPM, Lea County, New Mexico.

This application has been duly filed under the provisions of the "*Special Pool Rules for the Eumont Gas Pool*," as promulgated by Division Order No. R-8170-P, issued in Case No. 12563 on December 14, 2001.

The subject 320-acre unit was initially established by Division Administrative Order NSP-488, dated May 11, 1959 for the Shell Oil Company Devonian State Well No. 1 (**API No. 30-025-04728**), now Citation's Devonian State Well No. 5, located at a standard gas well location 1980 feet from the North and East lines (Unit G) of Section 20. It is the Division's understanding that this well is now shut-in and awaiting plug and abandonment, and is no longer allocated to this 320-acre unit.

Moreover, it is further understood that gas production attributed to the Eumont Gas Pool within this 320-acre unit is to be simultaneously dedicated to the eight (8) following-described Citation operated wells:

(1) The existing Devonian State Well No. 3 (API No. 30-025-04730), located at a gas well location now considered standard, but unorthodox when Division Order No. R-10868 was issued on September 3, 1997, 660 feet from the North and East lines (Unit A) of Section 20.

(2) The existing Devonian State Well No. 2 (API No. 30-025-04729), located at a gas well location now considered standard, but unorthodox when Division Order No. R-10868 was issued on September 3, 1997, 660 feet from the North line and 1980 feet from the East line (Unit B) of Section 20.

(3) The existing Devonian State Well No. 1-Y (API No. 30-025-04732), the replacement well to the original Shell Oil Company Devonian State Well No. 1 in Unit "G" of Section 20, located at an unorthodox gas well location 2310 feet from the North and East lines (Unit G) of Section 20.

(4) The existing Devonian State Well No. 4 (API No. 30-025-04731), located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of Section 20.

(5) The existing Devonian State Well No. 8 (API No. 30-025-04727), located at a standard gas well location 1980 feet from the South line and 660 feet from the East line (Unit I) of Section 20.

(6) The existing Devonian State Well No. 7 (API No. 30-025-04717), formerly the Devonian State Com. Well No. 3, located at a gas well location now considered standard, but unorthodox when Division Administrative Order NSL-3646 (SD) was issued on April 3, 1996, 1980 feet from the South and East lines (Unit J) of Section 20.

(7) Proposed Devonian State Well No. 9 to be drilled at a standard gas well location 710 feet from the South line and 1980 feet from the East line (Unit O) of Section 20.

(8) The existing Devonian State Well No. 6 (API No. 30-025-33505), formerly the Devonian State Com. Well No. 3, located at a gas well location now considered standard, but unorthodox when Division Administrative Order NSL-3646 (SD) was issued on April 3, 1996, 710 feet from the South and East lines (Unit P) of Section 20. The provisions of Division Administrative Order NSL-3646 (SD) approved the location of this well to be drilled 660 feet from the East line of Section 20.

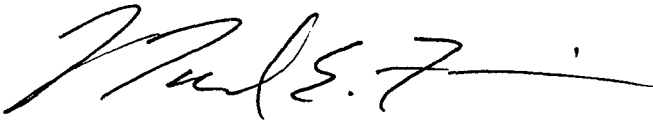
By the authority granted me under the provisions of Rules 4 (A), (B), and (D) of the special rules governing the Eumont Gas Pool: (i) the above-described unorthodox Eumont gas well location for Citation's Devonian State Well No. 1-Y is hereby approved; and (ii) Citation is authorized to simultaneously dedicate Eumont gas production to this 320-acre non-standard gas spacing unit from the above-described Devonian State Wells No. 1-Y, 2, 3, 4, 6, 7, 8, and 9.

Furthermore, all provisions applicable to the subject 320-acre non-standard gas spacing unit in Division Administrative Orders NSP-488, not in conflict with this order, shall remain in full force and affect until further notice.

It is further ordered however that Division Order No. R-10868 and Division Administrative Order NSL-3646 (SD) shall be placed in abeyance until further notice.

Jurisdiction of this matter shall be further retained for the entry of any such subsequent orders, as the Division may deem necessary.

Sincerely,



Mark E. Fesmire, P. E.
Director

MEF/mes

cc: New Mexico Oil Conservation Division – Hobbs
New Mexico State Land Office – Santa Fe
File: Division Case No. 11638
NSP-488
NSL-3646 (SD)

Ms. Sharon Ward, Regulatory Administrator – Citation Oil & gas Corp., Houston