

KELLAHIN AND KELLAHIN

ATTORNEYS AT LAW

EL PATIO BUILDING

117 NORTH GUADALUPE

POST OFFICE BOX 2265

SANTA FE, NEW MEXICO 87504-2265

TELEPHONE (505) 982-4285
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W. THOMAS KELLAHIN*

*NEW MEXICO BOARD OF LEGAL SPECIALIZATION
RECOGNIZED SPECIALIST IN THE AREA OF
NATURAL RESOURCES-OIL AND GAS LAW

JASON KELLAHIN (RETIRED 1991)

September 9, 1996

HAND DELIVERED

Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505
Attn: Michael E. Stogner

RECEIVED

SEP 9 1996

Oil Conservation Division

Re: Administrative Application of
Citation Oil & Gas Corp. for
an Unorthodox Gas Well Location and
Simultaneous Dedication
Eumont Gas Pool
Lea County, New Mexico

Dear Mr. Stogner

On behalf of Citation Oil & Gas Corp., we respectfully request your approval of this administrative application for a Unorthodox Eumont Gas Well Locations and for Simultaneous Dedication as follows:

(1) Division Order NSP-488, dated May 11, 1959 approved a 320-acre non-standard Eumont gas proration unit ("NSP") dedicated to the Devonian State Com Well No. 1 (API 30-025-03457) located 1980 feet from the East line and 1980 feet from the North line of Section 20, T21S, R36E, NMPM;

(2) As a result of an increasing gas-oil ratio which exceeded and continues to exceed 100,000 cubic feet of gas per barrel of oil, the Devonian State Well No. 3 (API 30-025-04730) located 660 feet from the North and East lines (Unit A) of Section 20, T21S, R36E, should have been reclassified from an oil well to a gas well in this pool in December, 1990. We now seek to correct that error and ask that you approve:

(a) the dedication of this well to the existing 320-acre NSP; and

(b) the approval of an unorthodox well location for this well because the well is 660 feet from an outer boundary rather than 990 feet.

(3) In addition, as a result of an increasing gas-oil ratio which exceeded and continues to exceed 100,000 cubic feet of gas per barrel of oil, the Devonian State Well No. 2 (API 30-025-04729) located 660 feet from the North line and 1980 East line (Unit B) of Section 20, T21S, R36E, also should have been reclassified from an oil well to a gas well in this pool in September, 1990. We now seek to correct that error and ask that you approve:

(a) the dedication of this well to the existing 320-acre NSP; and

(b) the approval of an unorthodox well location for this because the well is 660 feet from an outer boundary rather than 990 feet.

In accordance with Division Rule 104.D(2) and Rule 104.F, Citation has enclosed:


- (a) Exhibit "A" a map showing offset operators
- (b) Exhibit "B" Operator's Monthly Report Form C-115, page 6 dtd 7/96
- (c) Exhibit "C" notice list
- (d) Division Form C-102 for the two additional wells to be dedicated to the existing 320-acre non-standard proration unit.

Oil Conservation Division
September 9, 1996
Page 3

By copy of this letter and attachments, along with a waiver of objection form is being sent by Certified Mail to all offset operators as their notice of this application. We are hereby advising each of them that should they have any objection to this application, then they are required to file a written objection with the Division within twenty (20) days of the date of this application.

Please call me if you have any questions.

Very truly yours,



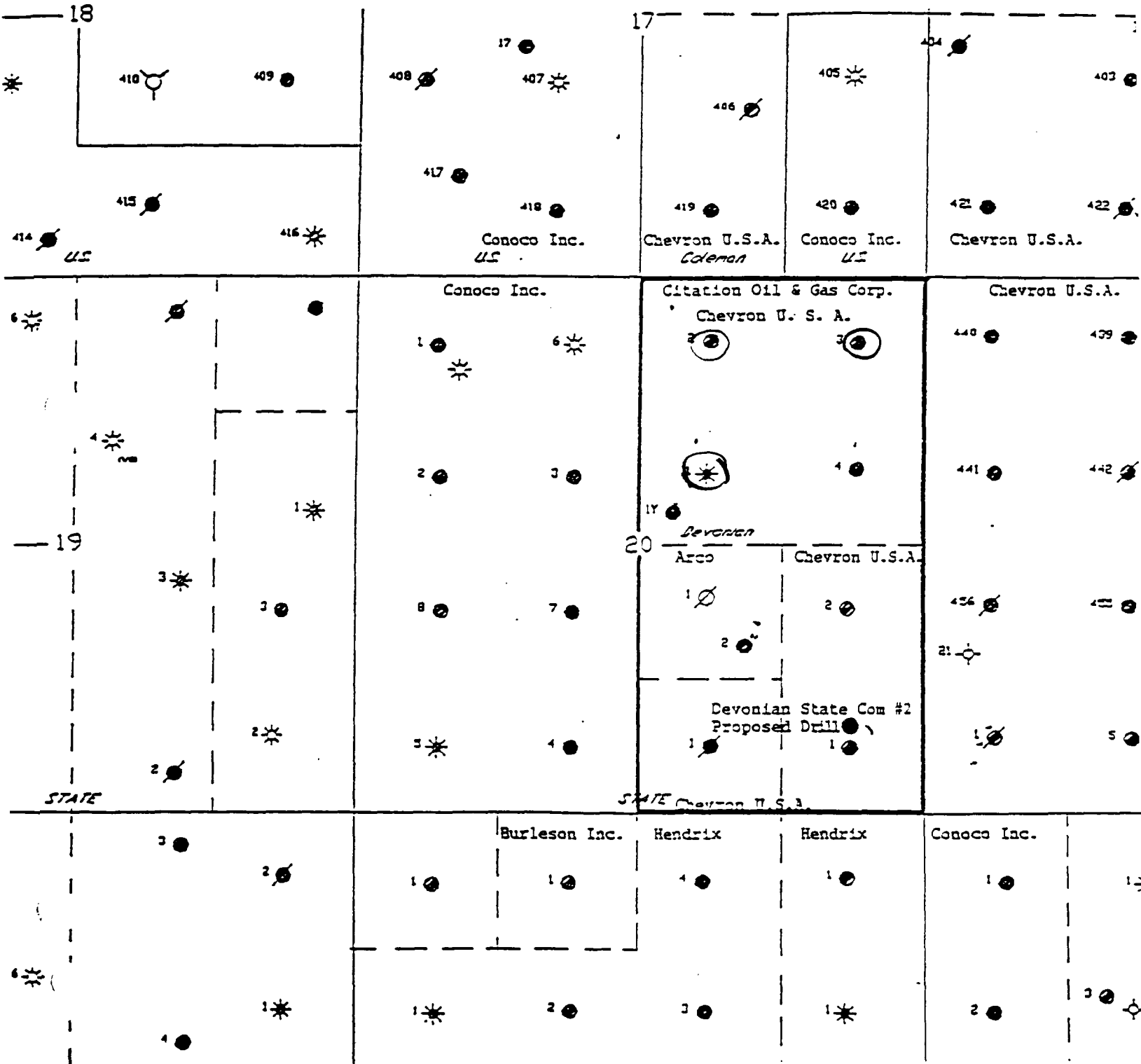
W. Thomas Kellahin

cc: Citation Oil & Gas Corp.



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

PRORATION UNIT MAP
 OFFSET OPERATORS



DISTRICT I
 P.O. Box 1980, Hobbs, NM 88241-1980
 DISTRICT II
 811 South First, Artesia, NM 88210
 DISTRICT III
 1000 Rio Brazos, Artec, NM 87410
 DISTRICT IV
 2066 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals and Natural Resources Department
 OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

Form C-115 First Page
 Revised May 1995
 1 Accepted Report



2 Operator: CITATION OIL & GAS CORP
 3 ORRID: 004537
 4 Month/Year 07/96
 5 Address: 8223 WILLOW PLACE SQUIR #250, MOUNSTON, TX 77070-5623
 6 Page 1 of 9

7	INJECTION			PRODUCTION					DISPOSITION OF OIL, GAS, AND WATER						
	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
FOOT. NO. AND NAME Property No. and Name Well No. & U-I-S-T-R API No.	Barrels of oil/ condensate produced	Barrels water produced	McF Gas Produced	Days Prod- iced	Point of Disposition	Gas BTU or Oil API Gravity	Oil on hand at beginning of month	Volume (bbls/mcf)	Trans- porter ORRID	Oil on hand at end of month					
22000 LUMONT TATES SR0 102070 DEVONIAN STATE 17 0-20-215-36E 10-025-04732	0	0	0	0	0743210		196	11099 5166	009171	486					
1 0-20-215-36E 10-025-04729	0	0	0	0	0743210										
1 A-20-215-36E 10-025-04730	0	1571	2253	30	0743230										
4 N-20-215-36E 10-025-04731	290	3573	665	31	0743250										
002027 STATE A 17 A-12-215-35E 10-025-01456	0	0	0	0											
1 G-12-215-35E 10-025-01457	62	37	1138	31											
1 B-12-215-35E 10-025-03458	62	37	1138	31	0743310 0743330 0743350	32.4	46	122 2276 74	037480 009171	46					

I hereby certify that the information contained in this report is true and complete to the best of my knowledge.

TELE OPERATOR
 Printed Name
 PRODUCTION ANALYST
 Title
 08-28-96
 Date
 (713) 469-9664
 Phone Number

NOTICE LIST

Jerry Sexton, Supervisor
Oil Conservation Division
P. O. Box 1980
Hobbs, New Mexico 88240

ARCO Permian
P. O. Box 1610
Midland, Texas 79702
Attn: David K. Newell

Chevron U.S.A. Production Company
P. O. Box 1150
Midland, Texas 79702
Attn: Al W. Bohling

Conoco, Inc.
10 Desta Drive, Suite 100W
Midland, Texas 79705

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

John H. Hendrix Corporation
P. O. Box 3040
Midland, Texas 79701



District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
10 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION
2040 South Pacheco
Santa Fe, NM 87505

Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-025-04730		² Pool Code 76480		³ Pool Name Eumont Yates Seven Rivers Queen(Pro Gas)	
⁴ Property Code 002821		⁵ Property Name Devonian State			⁶ Well Number 3
⁷ OGRID No. 004537		⁸ Operator Name Citation Oil & Gas Corp.			⁹ Elevation 3634'

¹⁰ Surface Location

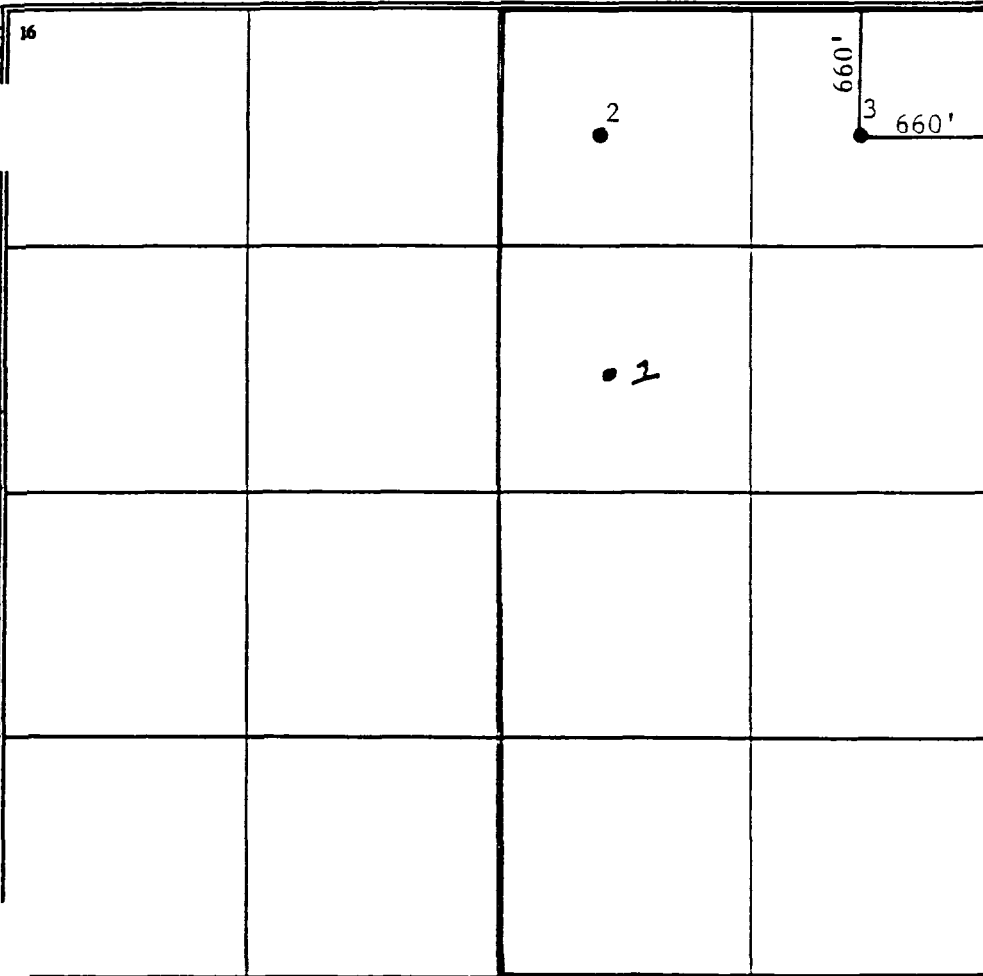
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	20	21S	36E		660	North	660	East	Lea

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
A	20	21S	36E		660	North	660	East	Lea

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



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 Administrator
Title
9-6-96
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

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
 18 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

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

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-04729		2 Pool Code 76480		3 Pool Name Eumont Yates Seven Rivers Queen (Pro Gas)	
4 Property Code 002821		5 Property Name Devonian State			6 Well Number 2
7 OGRID No. 004537		8 Operator Name Citation Oil & Gas Corp.			9 Elevation 3634'

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	20	21S	36E		660	North	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
B	20	21S	36E		660	North	1980	East	Lea

12 Dedicated Acres 320	13 Joint or Infill	14 Consolidation Code	15 Order No. NSP-488
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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 	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 Title 9-6-96 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 Surveyer:
	Certificate Number

is your RETURN ADDRESS completed on the reverse side?

SENDER:
 Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print name, address, and zip on card to card to permit.
 Attach permit.
 Write "Return Receipt Requested" on the mailpiece below the article number.
 The Return Receipt will show to whom the article was delivered and the date delivered.

1. Addressed to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

2. I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
Jerry Sexton, Supervisor
Oil Conservation Division
P.O. Box 1980
Hobbs, New Mexico 88240

4a. Article Number
P 288 262 056

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
9/12

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
J. Sexton

6. Signature: (Addressee or Agent)
J. Sexton

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service

SENDER:
 Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print name, address, and zip on card to card to permit.
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 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

2. I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
Conoco, Inc.
10 Destu Drive, Suite 100W
Midland, Texas 79705

4a. Article Number
P 288 262 057

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
9/17/96

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
Artes Hoya

6. Signature: (Addressee or Agent)
Artes Hoya

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service

is your RETURN ADDRESS completed on the reverse side?

SENDER:
 Complete items 1 and/or 2 for additional services.
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 2. Restricted Delivery
 Consult postmaster for fee.

2. I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
ARCO Permian
P.O. Box 1610
Midland, Texas 79702
Attn: David K. Newell

4a. Article Number
P 288 262 055

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
SEP 12 1996

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
David K. Newell

6. Signature: (Addressee or Agent)
David K. Newell

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service

SENDER:
 Complete items 1 and/or 2 for additional services.
 Complete items 3, 4a, and 4b.
 Print name, address, and zip on card to card to permit.
 Attach permit.
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 The Return Receipt will show to whom the article was delivered and the date delivered.

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 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

2. I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
Lewis B. Burleson Inc.
Box 2479
Midland, Texas 79702

4a. Article Number
P 288 262 059

4b. Service Type
 Registered Certified
 Express Mail Insured
 Return Receipt for Merchandise COD

7. Date of Delivery
SEP 12 1996

8. Addressee's Address (Only if requested and fee is paid)

5. Received By: (Print Name)
Julie Fruit

6. Signature: (Addressee or Agent)
Julie Fruit

PS Form 3811, December 1994

Domestic Return Receipt

Thank you for using Return Receipt Service

Fold at line over top of envelope to the right of the return address

Print
 Air
 Registered
 Restricted Delivery
 Insured
 COD
 Signature Required
 Return Receipt for Merchandise
 COD
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

I also wish to receive the following services (for an extra fee):
 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

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 2. Restricted Delivery
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 1. Addressee's Address
 2. Restricted Delivery
 Consult postmaster for fee.

3. Article Addressed to:
John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79701

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John H. Hendrix Corporation
P.O. Box 3040
Midland, Texas 79701

3. Article Addressed to:
Citation Oil & Gas Corp.
September 29, 1996

3. Article Addressed to:
Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702
Attn: Al E. Bohling

3. Article Addressed to:
Chevron U.S.A. Production Company
P.O. Box 1150
Midland, Texas 79702
Attn: Al E. Bohling

4a. Article Number
P 288-262-058

4a. Article Number
P 288-262-058

4a. Article Number
P 288-262-058

4a. Article Number
P 288-262-058

4a. Article Number
P 288-262-058

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

4b. Service Type
 Registered
 Express Mail
 Return Receipt for Merchandise
 COD

5. Received By: (Print Name)
Al E. Bohling

5. Received By: (Print Name)
Al E. Bohling

5. Received By: (Print Name)
Al E. Bohling

5. Received By: (Print Name)
Al E. Bohling

5. Received By: (Print Name)
Al E. Bohling

6. Signature: (Addressee or Agent)
Al E. Bohling

6. Signature: (Addressee or Agent)
Al E. Bohling

6. Signature: (Addressee or Agent)
Al E. Bohling

6. Signature: (Addressee or Agent)
Al E. Bohling

6. Signature: (Addressee or Agent)
Al E. Bohling

7. Date of Delivery
SEP 19 1996

7. Date of Delivery
SEP 19 1996

7. Date of Delivery
SEP 19 1996

7. Date of Delivery
SEP 19 1996

7. Date of Delivery
SEP 19 1996

8. Addressee's Address (Only if requested and fee is paid)

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9. Your RETURN ADDRESS completed on the reverse side?

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