

Devonian State 2 & 3 - Gas Production

Notes on Volumes:	To 5/31/96	2,040,718	Cum. from Acctg. Records Since Re Completions
	6/1/96 to 2/28/97	152,925	From Citation Records
	3/1/97 to 4/30/97	31,560	From Citation Records
	5/1/97 to 5/31/97	18,270	From Citation Records
	To 4/30/97	2,243,473	MCF Gross
Net Value After Taxes		\$ 1.6490	/MCF - Accounting Records

Co.	NE/4 NRI	ACREAGE NRI	GAS REC'D NET MCF	ADJ. GAS NET MCF	BALANCE NET MCF	VALUE COG M\$	Chevron M\$	Arco M\$
COG	43.75%	21.87500%	981,519	490,760	-490,760	-\$ 809,263		
Chevron	43.75%	54.68750%	981,519	1,226,899	245,380		\$ 404,631	
ARCO	0.00%	10.93750%	0	245,380	245,380			\$ 404,631

Balance for Calc. Cross Check 0.00

Gross LOE

Gross LOE to 5/31/96	\$	155,528	
LOE Est. 6/1/96-2/28/97		9,600	Estimated based on \$600/WM for 2 Wells over 8 Months
LOE Est. 3/1/97-4/30/97		2,400	Estimated based on \$600/WM for 2 Wells over 2 Months
Total LOE	\$	167,528	

			LOE PAID M\$	ADJ. LOE M\$	VALUE COG M\$	Chevron M\$	Arco M\$
COG	50.0%	25.0%	83,764	41,882	\$ 41,882		
Chevron	50.0%	62.5%	83,764	104,705		-\$ 20,941	
ARCO	0.0%	12.5%	0	20,941			-\$ 20,941

Balance for Calc. Cross Check 0.00

Capital Adjustment

Est. Dev. St. 2	\$	140,314	Source: Accounting Records - AFE Analysis
Est. Dev. St. 3		142,146	Source: Accounting Records - AFE Analysis
Total Capital	\$	282,460	For Recompletion of Dev. St. 2 and 3 to upper zones.

			CAPITAL PAID M\$	ADJ. CAPITAL M\$	VALUE COG M\$	Chevron M\$	Arco M\$
COG	50.0%	25.0%	141,230	70,615	\$ 70,615		
Chevron	50.0%	62.5%	141,230	176,538		-\$ 35,308	
ARCO	0.0%	12.5%	0	35,308			-\$ 35,308

Balance for Calc. Cross Check 0.00

Janda Gas Balance

Notes on Volumes: As Gas Well 90,809 Gross Cum. from Dwights Information
 Net Value After Taxes \$ 0.9300 Chevron Letter of 4/16/97

Operating Costs
 Total Costs from Chevron Acct'g \$ 45,179 Total

Co.	SE/4 NRI	ACREAGE NRI	GAS REC'D NET MCF	ADJ. GAS NET MCF	BALANCE NET MCF	VALUE COG M\$	Chevron M\$	Arco M\$	
COG	0.00%	21.87500%	0	19,864	19,864	\$ 18,474			
Chevron	87.50%	54.68750%	79,458	49,661	-29,797	-\$	27,711		
ARCO	0.00%	10.93750%	0	9,932	9,932			\$ 9,237	
Balance for Calc. Cross Check									0.00
Operating Cost Adjustment									
COG	0.00%	25.00000%	0	11,295		-\$ 11,295			
Chevron	100.00%	62.50000%	45,179	28,237			\$ 16,942		
ARCO	0.00%	12.50000%	0	5,647			-\$	5,647	
Balance for Calc. Cross Check									0.00

Value of Oil Reserves At Recompletion of Dev. St. 2 and 3 Following Gas Reserve Depletion

Evaluation of Dev. St. 2 & 3 Oil Reserves Assuming Production Occurs After Gas Depleted

50% WI \$ 59,574 PV @ 10% Assumes on Prod. 1/1/2014
 Grossed Up to 100% WI 119,148

	Orig. Interests	Unit Interests	VALUE SHOWN M\$	ADJ. VALUE M\$	VALUE COG M\$	Chevron M\$	Arco M\$		
COG	50.0%	32.0882%	59,574	38,232	\$ 21,342				
Chevron	50.0%	60.6224%	59,574	72,230	-\$	12,656			
ARCO	0.0%	7.2894%	0	8,685			-\$ 8,685		
Balance for Calc. Cross Check									0.00
					COG	Chevron	Arco		
TOTAL OF ALL ADJUSTMENTS					-\$ 668,245	\$ 324,958	\$ 343,287	0.00	

CITATION OIL & GAS CORP.
SUMMARY OF GAS VOLUMES USED FOR ADJUSTMENT
IN DEVONIAN STATE WELLS

DATE YR/MO	DEV ST 2 GAS PROD Mcf/Mo.	DEV ST 3 GAS PROD Mcf/Mo.	TOTAL GAS VOL. FROM ACCTG. WORKSHEET Mcf/Mo.	YEARLY OR PERIOD TOTALS Mcf
9011	21632	1010	22642	
9012	17853	8885	26738	49,380
9101	24443	14323	38766	
9102	23947	14658	38605	
9103	26572	18172	44744	
9104	20956	18626	39582	
9105	20420	18506	38926	
9106	20619	19034	39653	
9107	21039	19723	40762	
9108	20730	18767	39497	
9109	20367	18313	38680	
9110	20395	19252	39647	
9111	19462	16543	36005	
9112	22374	19018	41392	476,259
9201	22300	20105	42405	
9202	20458	18442	38900	
9203	0	38957	38957	
9204	21277	19181	40458	
9205	19217	17797	37014	
9206	15170	17975	33145	
9207	20879	18911	39790	
9208	20687	18738	39425	
9209	19313	17618	36931	
9210	18840	17943	36783	
9211	17280	16663	33943	
9212	15520	18043	33563	451,314
9301	17199	17200	34399	
9302	15389	14745	30134	
9303	16695	16162	32857	
9304	17690	15204	32894	
9305	18397	15660	34057	
9306	17748	15108	32856	
9307	18337	15562	33899	
9308	17507	14963	32470	
9309	16604	14273	30877	
9310	16470	14397	30867	
9311	15292	13561	28853	
9312	15697	13904	29601	383,764
9401	16306	13411	29717	
9402	14467	11922	26389	