

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
Revised March 17, 1999

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office
State Lease - 6 Copies
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Citation Oil & Gas Corp. 8223 Willow Place South Houston, Texas 77070		² OGRID Number 004537
		³ API Number 30 - 25 - 36827
³ Property Code 002820	⁵ Property Name Devonian State	⁶ Well No. 9

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	20	21S	36E		710	South	1980	East	Lea

⁸ Proposed 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

⁹ Proposed Pool 1 Yates Seven Rivers Queen (Eumont)	¹⁰ Proposed Pool 2
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¹¹ Work Type Code N	¹² Well Type Code G	¹³ Cable/Rotary Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3631'
¹⁶ Multiple N	¹⁷ Proposed Depth ±3800'	¹⁸ Formation Penrose	¹⁹ Contractor Unknown	²⁰ Spud Date 2004

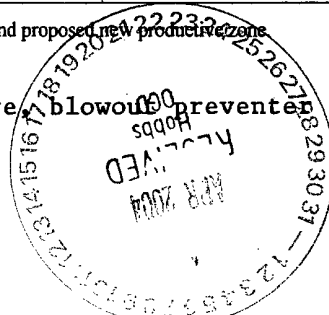
²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	8 5/8"	24#	±1450'	695+additives	Surface
7 7/8"	5 1/2"	17#	±3800'	520+additives	Surface

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

See attached drilling prognosis, wellbore diagram, drilling procedure, blowout prevention program. All necessary data will be provided by the rig company which has yet to be determined.

Permit Expires 1 Year From Approval
Date Unless Drilling Underway



²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. Signature: <i>Sharon Ward</i> Printed name: Sharon Ward Title: Regulatory Administrator Date: 3-30-04 Phone: 281-517-7309		OIL CONSERVATION DIVISION Approved by: <i>Chris Williams</i> Title: OC DISTRICT SUPERVISOR/GENERAL MANAGER Approval Date: AUG 19 2004 Expiration Date: Conditions of Approval: Attached <input type="checkbox"/>	
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CITATION OIL AND GAS CORPORATION

Drilling Prognosis

WELL NAME Devonian State #9	FIELD Eumont	DATE March 17, 2004
AUTHORIZATION NUMBERS AFE No. _____ Permit No. _____		
LOCATION 710' FSL & 1980' FEL Section 20, T21S - R36E Lea County, New Mexico		
OBJECTIVES Yates 3012' (+609' ss) Seven Rivers 3316' (+305' ss)		
TOTAL VERTICAL DEPTH 3800'		TOTAL MEASURED DEPTH 3800'
ELEVATION Ground Level 3610' (Est.) Kelly Bushing 3622' (est.)		
ESTIMATED FORMATION TOPS (Subsea Depths)		
Rustler	+2191'	Seven Rivers +305'
Base Salt	+769'	Queen +15'
Yates	+609'	Penrose -139'
WELL DESIGN		
CONDUCTOR None		
SURFACE CASING 12 1/4" Hole 8 5/8" 24# J-55 ST&C set at 1450' (Through Top of Rustler) Texas Pattern Shoe, IFV, & 14 centralizers Cemented to surface to protect fresh water		
PROTECTIVE CASINGS AND LINERS None		
PRODUCTION CASING 7 7/8" Hole 5 1/2" 17# L-80 LT&C 8rd set at 3800' FS, FC, 14 centralizers Cemented to surface to protect fresh water Run one marker joint at +/- 3000' and second at +/- 3300'.		
PRODUCTION LINER None		
CASINGHEAD 8 5/8" x 5 1/2" Larkin Figure 92 SOW casinghead (2000 psi WP) 5 1/2" 8rd x 2 3/8" Larkin Type "R" tubinghead (5000 psi WP)		
MUD PROGRAM		
0' - 1,450'	Gel/Lime Spud Mud	8.8 - 9.2 ppg 32 - 34 visc. FL NC
1,450' - 3,400'	Brine Water	9.8 - 10.0 ppg 28 visc. FL NC
3,400' - 3,800'	Brine/Starch	9.8 - 10.0 ppg 28 - 30 visc. FL 15 - 20 cc
LOGGING PROGRAM		
LDT / CNL / GR / CAL		1450' - TD
DLL / GR / SP		1450' - TD
* CNL will be the primary log pulled to surface		
CORING PROGRAM		

CITATION OIL AND GAS CORPORATION
Drilling Prognosis

None

DRILL STEM TESTS

None

SAFETY EQUIPMENT

H2S equipment to be installed prior to drilling out surface casing.

FLUID SAMPLES

None

MUD LOGGING

None

EVALUATION

Drill well to planned TD of 3,800'. Run OH logging suite. Run and cement 5 1/2" production casing.

COMPLETION

Complete well in Yates and Seven Rivers zones as per the Reservoir Department's recommendation.

Frac Yates and Seven Rivers zones in two stages as per recommendation.

Run completion assembly as single rod pumped producer using 2 3/8", 4.7#, J-55 and 8rd tubing.

COST	DRILLING	EVALUATION	COMPLETION	TOTAL
EXPECTED	\$204,000	\$0	\$256,000	\$460,000
HIGH	\$0	\$0	\$0	\$0
LOW	\$0	\$0	\$0	\$0

SIGNED (ENGINEER)

DATE

ENDORSED

AREA ENGINEER

DATE

AREA SUPERINTENDENT

DATE

APPROVED

AREA MANAGER

DATE

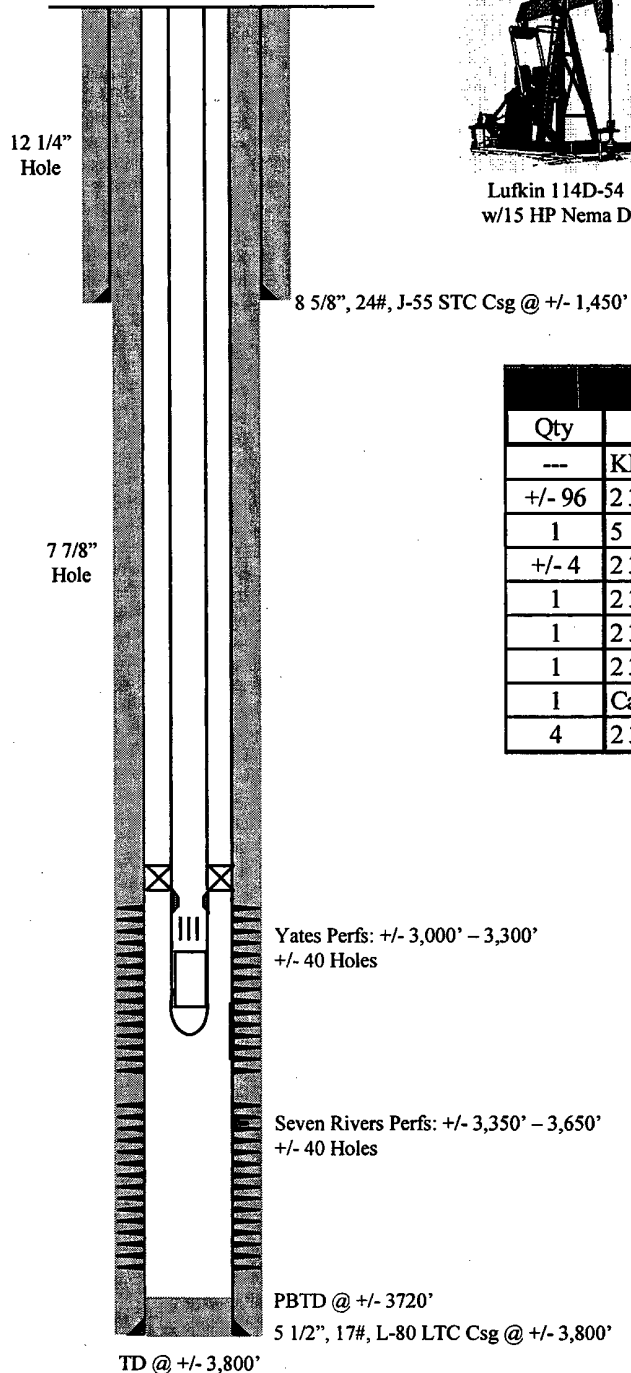
VP - DRILLING & PRODUCTION

DATE

CITATION OIL AND GAS CORPORATION

PROPOSED WELLBORE DIAGRAM AND INFORMATION

Well Name: Devonian State #9 **Field:** Eumont
Date: February 1, 2004 **Location:** 710' FSL & 1980' FEL, Sec. 20
County: Lea **State:** New Mexico



Surface: 710' FSL & 1980' FWL, Sec 20, T21S-R36E
 Lea County, NM
Completed: 2004
Elevation: 3610' (GL Est)
KB: 12' (Est)

CASING DETAIL

Size	Weight	Grade	Depth
8 5/8"	24	J-55	Surf - 1450
5 1/2"	17	L-80	Surf - 3800

TUBING DETAIL

Qty	Description	Length	Depth
---	KB	12	12.00
+/- 96	2 3/8", 4.7# J-55 Tbg	2,976.00	2,988.00
1	5 1/2" x 2 3/8" TAC	3.00	2,991.00
+/- 4	2 3/8", 4.7# J-55 Tbg	124.00	3,115.00
1	2 3/8", 4.7# J-55 IPC TK-99 Tbg	31.00	3,146.00
1	2 3/8" SN	1.10	3,147.10
1	2 3/8" Tbg Sub	4.00	3,151.10
1	Cavins 2301GF Desander	20.00	3,171.10
4	2 3/8", 4.7# J-55 BPMA	124.00	3,295.10

ROD DETAIL

Qty	Size	Type	Length
123	3/4"	KD	3,075
2	3/4"	Guided KD	50
Polish Rod: 1 1/4" x 16' w 1 1/2" x 22' Liner			
Pony Rods: As Required			
Pump: 2" x 1 1/4" x 12'			

DEVONIAN STATE #9

DRILLING PROCEDURE

8 5/8" Surface Casing

1. Spud 12 1/4" hole and drill to +/- 1,450' utilizing fresh water spud mud ranging from 8.8 ppg to 9.2 ppg. (Base of fresh water at +/- 300', base of red beds at +/- 1430')

Proposed Bottom Hole Assembly (B-T)

12 1/4" MT Bit (Bit #1: New Smith XR+ w/ 3 – 12 jets)
Bit Sub
9" Shock Absorber
1 – 8" Drill Collar (f/ rig inventory)
12 1/4" String Roller Reamer
1 – 8" Drill Collar (f/ rig inventory)
12 1/4" Integral Blade Stabilizer
8" and 6" Drill Collars to be determined (f/ rig inventory)

2. Circulate and condition hole to run 8 5/8" casing. POH w/ bit.
3. Run Full Length Drift and Visual Thread Inspections on surface casing.
4. Run 8 5/8" surface casing as follows:

Casing Detail (T-B)

8 5/8" 24# J-55 ST&C new casing
8 5/8" Float Collar
2 jts 8 5/8" 24# J-55 ST&C new casing
Notched Shoe

ID	Drift	Optimum Torque	Collapse	Burst	Tension
8.097"	7.972"	2,440 ft-lbs	1,370 psi	2,950 psi	244,000 lbs

Special Instructions

- a) Run 14 (12 1/4" x 8 5/8") centralizers as follows:
 - 1 – Middle of first jt w/ stop ring.
 - 1 – Collar of first jt.
 - 1 – Middle of second jt w/ stop ring. (below Float Collar)
 - 1 – Middle of third jt w/ stop ring. (above Float Collar)
 - 5 – Every other collar.
 - 5 – Every 4th collar to surface.
 - b) Tack-weld shoe.
 - c) Thread-lock bottom four (4) connections.
 - d) Break circulation through float equipment after lowering below rotary table.
 - e) If possible, reciprocate casing during cementing operations.
4. MIRU cementing company. Cement 8 5/8" casing to surface in one stage as follows:

Lead Slurry: 445 sx Light Premium Plus Cement w/ 1/4 lb/sk Flocele and 2% CaCl₂
(Yield = 1.90 ft³/sk, Weight = 12.5 ppg, Mixwater = 10.90 gals/sk)

Tail Slurry: 250 sx Premium Plus Cement w/ 2% CaCl₂
(Yield = 1.34 ft³/sk, Weight = 14.8 ppg, Mixwater = 6.34 gals/sk)

Cement volumes based on 12 1/4" gauge hole plus 100% excess.

5. WOC 8 hrs & cut off casing. NU 8 5/8" SO x 5 1/2" Larkin Figure 92 thread-on casinghead (2000 psi WP). NU BOP. Test casing to 1000 psi and BOP to 2000 psi & annular to 1000 psi.

5 1/2" Production Casing

(Install H2S equipment prior to drilling out surface casing)

1. RIH w/ 7 7/8" bit and DO plug, FC and cement. Drill 7 7/8" hole to $\pm 3,400'$ w/ brine water mud system. At 3,400', restrict mud system to steel pits. Add starch to reduce fluid loss to 15 – 20 cc's and raise viscosity to 28 – 30 sec. viscosity / qt for hole cleaning. Continue drilling to 3,800' (TD). At casing point, sweep hole with salt gel pill for logging. Make short trip prior to POH for logging. POH w/ DP & BHA.

Proposed Bottom Hole Assembly (B-T)

7 7/8" Insert Bit (Bit #2: New Smith F27V w/ 3 – 12 jets)

Bit Sub

7 7/8" TCI Bit Stabilizer

1 – 6 1/2" Short Drill Collar

7 7/8" Integral Blade Stabilizer

1 – 6 1/2" Drill Collar

7 7/8" Integral Blade Stabilizer

6" Drill Collars to be determined (f/ rig inventory)

2. Run OH logs w/ caliper as per geological prognosis.
3. RIH w/ bit to casing point. Circulate and condition hole to run 5 1/2" casing. If necessary, make short trip prior to POH w/ bit to run casing (dependant on bit trip depth). LD DP and BHA
4. Run Full Length Drift and Visual Thread Inspections on production casing. Sandblast casing from TD to +/- 2800' to cover Clearfork and San Andres perforated intervals.
5. Run 5 1/2" production casing as follows:

Casing Detail (T-B)

5 1/2" 17# L-80 LT&C new casing

5 1/2" 17# L-80 LT&C new csg marker jts at +/- 3000' and 3300'

5 1/2" Float Collar

2 jts 5 1/2" 17# L-80 LT&C new casing

5 1/2" Float Shoe

ID	Drift	Optimum Torque	Collapse	Burst	Tension
4.892"	4.767"	3,480 ft-lbs	6290 psi	7,740 psi	338,000 lbs

Special Instructions

- a) Run 14 (7 7/8" x 5 1/2") centralizers as follows:
 - 1 – Middle of first jt w/ stop ring.
 - 1 – Collar of first jt.
 - 1 – Middle of second jt w/ stop ring. (below Float Collar)
 - 1 – Middle of third jt w/ stop ring. (above Float Collar)

- 10 - Spaced every other collar.
- b) Thread-lock bottom five (5) connections.
 - c) Break circulation through float equipment after lowering below rotary table. Circulate hole with volume of fluid equal to casing capacity + 50 bbl prior to cementing after running casing.
 - d) If possible, reciprocate casing during cementing operations.
5. MIRU cementing company. Cement 5 1/2" casing to surface in one stage as follows:
- Lead Slurry: 270 sx Interfill 'C' cement w/ 1/4 lb/sk Flocele
(Yield = 2.45 ft³/sk, Weight = 11.90 ppg, Mixwater = 14.2 gals/sk)
- Tail Slurry: 250 sx 50/50 Poz Premium Plus Cement w/ 2% Gel + 0.5% LAP-1 + 0.2% CFR-
3 + 3 lb/sk KCl + 1/4 lb/sk D AIR-3000
(Yield = 1.31 ft³/sk, Weight = 14.20 ppg, Mixwater = 5.95 gals/sk)
- Note: Actual Tail Slurry volume will be calculated to cover the Yates Interval (+/- 2800').**
Bump plug in float collar & PT.
- The above cement volumes are based on 7 7/8" gauge hole plus 100% excess. Base actual cement volumes on OH caliper logs plus 50% excess.
6. ND BOP. Land casing in tension in slips. Cut off and NU 5 1/2" 8rd x 2 3/8" Larkin Type "R" 5000 psi tubinghead.
7. Release rig.

COMPLETION PROCEDURE

- Clean-up and level location. Set anchors.
- Unload and rack 3800' of 2 3/8" 4.7# J-55 EUE 8rd production tubing.
- Unload and rack 3800' 3/4" KD Sucker Rods.
- Move 114 pumping unit from Sealy Smith B #1 to Devonian State #9 and set. (54" SL @ 8 SPM)
- Build primary power into Devonian State #9 location, set transformers and run motor service.

1. MIRU PU. NU BOP. PU & RIH w/ 4 3/4" MT skirted bit on 2 3/8" prod tbg to PBTD (FC @ +/- 3720'). DO shoe jts if required. (Run 6 - 3 1/8" DC's if DO is required).
2. PT 5 1/2" casing to 1000 psi/15 min. CHC and displace w/ 2% KCl water. POH & LD bit.
3. RU WL. RU lubricator. RIH & run GR/CCL/CBL from PBTD to surface. If necessary, run repeat section w/ 1000 psi on casing. POH w/ logging tools. RIH w/ 4" select-fire perforating guns. Perforate Seven Rivers interval as per Reservoir recommendations. Correlate to OH logs. POH w/ perf gun. RD WL.
4. RU stimulation company to pump acid and frac down csg w/ full opening 5 1/2" valve. Treat Seven Rivers perforations w/ 15% AS HCl (volume to be determined) @ AIR of 8-12 BPM & Pmax = 5000 psi. Pump frac treatment as per treating company recommendation. Record ISIP, 5, 10 & 15 minute SIP's.
5. RU WL. RU lubricator. RIH w/ 5 1/2" WL set, Tbg retrievable RBP. Set RBP above top Seven Rivers perf. POH w/ RBP setting tools. RIH w/ 4" select-fire perforating guns. Perforate Yates interval as per Reservoir recommendations. Correlate to OH logs. POH w/ perf gun. RD WL.
6. RU stimulation company to pump acid and frac down csg w/ full opening 5 1/2" valve. Treat Yates perforations w/ 15% AS HCl (volume to be determined) @ AIR of 8-12 BPM & Pmax = 5000 psi. Pump frac treatment as per treating company recommendation. Record ISIP, 5, 10 & 15 minute SIP's. Shut well in for 3-4 hours, based on stimulation company recommendation.
7. Flow Yates up 5 1/2" casing to test tank through test manifold.
8. After well dies, RIH w/ 2 3/8" prod tbg and RBP retrieving head. RU Air Unit. CO well w/ air to RBP. CHC. Latch on to RBP and rlse. POH w/ RBP. RIH w/ 4 3/4" MT skirted bit on 2 3/8" prod tbg. CO well to PBTD. CHC. POH w/ bit.

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

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

District III
1000 Rio Brasos 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
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

OIL CONSERVATION DIVISION

PO Box 2088
Santa Fe, NM 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

1 API Number 30-025-36827	2 Section 76480	3 Pool Name Eumont; Yates Seven Rivers - On (gas)
4 Property Code 002820	5 Devonian State	6 Well Number 9
7 OGRID No. 4537	8 Citation Oil & Gas	9 Elevation 3631'

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
0	20	21 S	36 E		710	South	1980	East	Lea

11 Bottom Hole Location If Different From Surface

12 Dedicated Acres 320	13 Joint or Infill Y	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 <i>Sharon's acreage</i>		2	3
		5	4
		7	8
	Devonian State No. 9 Elev. 3631'		

1980' 6

710'

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
4-12-04
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.

March 23, 2004
Date of Survey
Signature and Seal of Professional Surveyor

MICHAEL J. STANFORD
NEW MEXICO
REGISTERED PROFESSIONAL LAND SURVEYOR
10324

Michael J. Stanford
Certificate Number **10324**

7 Miles NW of Eunice, New Mexico.

File No. A-2539

District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Avenue, Artesia, NM 88210
District III
1000 Rio Brazos Road, Aztec, NM 87410
District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural Resources

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Form C-144
March 12, 2004

For drilling and production facilities, submit to appropriate NMOCD District Office.
For downstream facilities, submit to Santa Fe office

Pit or Below-Grade Tank Registration or Closure

Is pit or below-grade tank covered by a "general plan"? Yes ☐ No ☒

Type of action: Registration of a pit or below-grade tank ☒ Closure of a pit or below-grade tank ☐

Operator: CITATION OIL & GAS CORP. Telephone: (281) 517-7800 e-mail address: _____
Address: 8223 WILLOW PLACE DR. S STE 250 HOUSTON, TX 77070-9964
Facility or well name: DEVONIAN ST. #9 API #: NA 30-025-36827 U/L or Qtr/Qtr 0 Sec 20 T 21SR36E
County: LEA Latitude 32 27'34"N Longitude 103 17'06"W NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☐ State ☒ Private ☐ Indian ☐

Pit	Below-grade tank
Type: Drilling <input checked="" type="checkbox"/> Production <input type="checkbox"/> Disposal <input type="checkbox"/> Workover <input type="checkbox"/> Emergency <input type="checkbox"/> Lined <input checked="" type="checkbox"/> Unlined <input type="checkbox"/> Liner type: Synthetic <input checked="" type="checkbox"/> Thickness <u>6</u> mil Clay <input type="checkbox"/> Volume <u>3600</u> bbl	Volume: _____ bbl Type of fluid: _____ Construction material: _____ Double-walled, with leak detection? Yes <input type="checkbox"/> If not, explain why not. _____
Depth to ground water (vertical distance from bottom of pit to seasonal high water elevation of ground water.)	Less than 50 feet (20 points) DATA FROM SEC 16 & 1E 50 feet or more, but less than 100 feet (10 points) 21S-36E IN WATERS <u>100 feet or more</u> (0 points) DATABASE. (RANGE 106'-195')
Wellhead protection area: (Less than 200 feet from a private domestic water source, or less than 1000 feet from all other water sources.)	Yes (20 points) <u>No</u> (0 points)
Distance to surface water: (horizontal distance to all wetlands, playas, irrigation canals, ditches, and perennial and ephemeral watercourses.)	Less than 200 feet (20 points) 200 feet or more, but less than 1000 feet (10 points) <u>1000 feet or more</u> (0 points)
	Ranking Score (Total Points) 0

If this is a pit closure: (1) attach a diagram of the facility showing the pit's relationship to other equipment and tanks. (2) Indicate disposal location: onsite ☐ offsite ☐ If offsite, name of facility _____. (3) Attach a general description of remedial action taken including remediation start date and end date. (4) Groundwater encountered: No ☐ Yes ☐ If yes, show depth below ground surface _____ ft. and attach sample results. (5) Attach soil sample results and a diagram of sample locations and excavations.

I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that the above-described pit or below-grade tank has been/will be constructed or closed according to NMOCD guidelines ☒ a general permit ☐ or an (attached) alternative OCD-approved plan ☐.

Date: 5/5/04

Printed Name/Title: SHARON WARD/ REG. ADMINISTRATOR Signature: Sharon Ward

Our certification and NMOCD approval of this application/closure does not relieve the operator of liability should the contents of the pit or tank contaminate ground water or otherwise endanger public health or the environment. Nor does it relieve the operator of its responsibility for compliance with any other federal, state, or local laws and/or regulations.

Approval:

Date: AUG 19 2004

Printed Name/Title:

ORIGINAL SIGNED BY

CHRIS WILLIAMS

Signature

OCD DISTRICT SUPERVISOR/GENERAL MANAGER

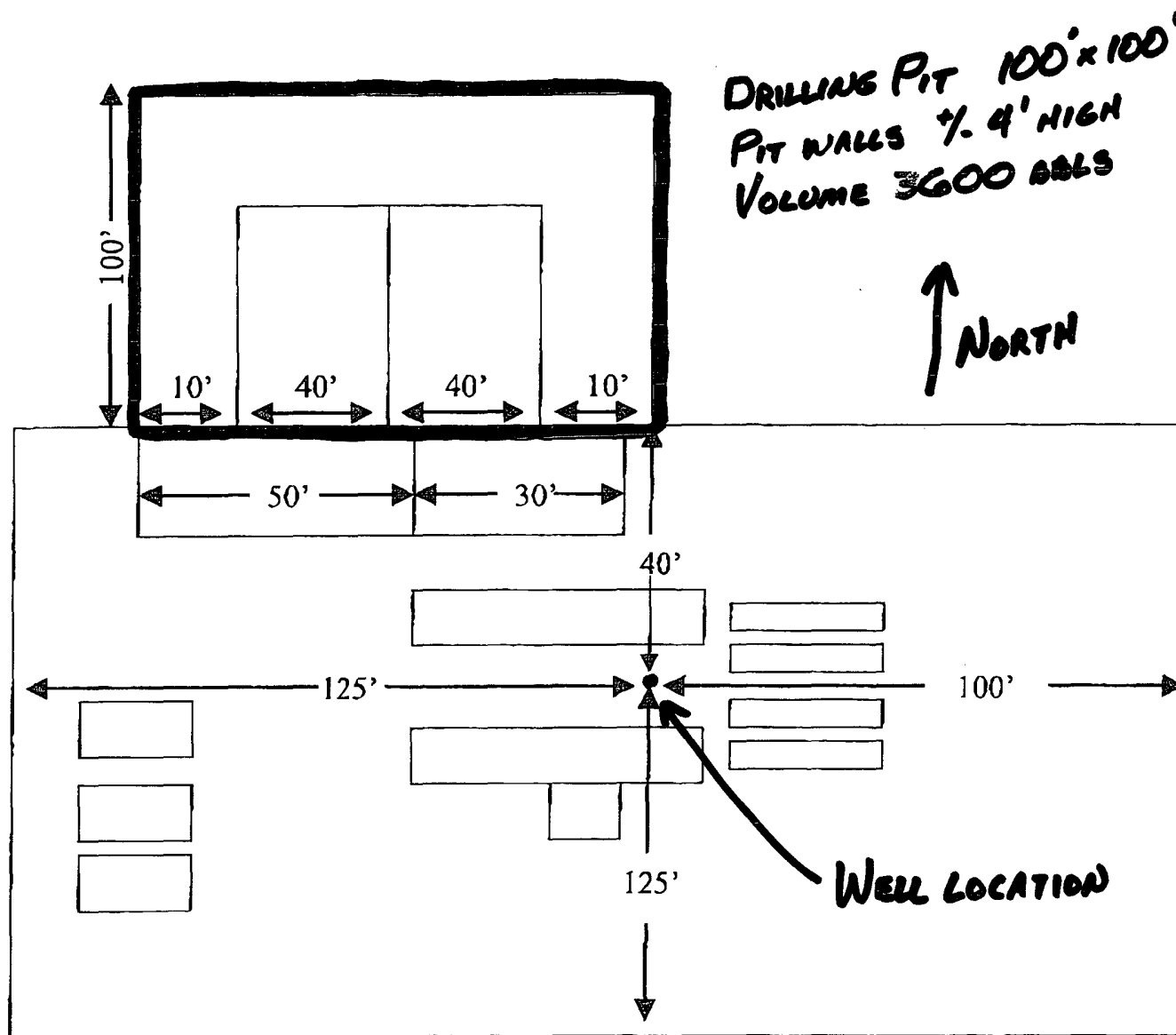


FIG 65