

Submit 3 Copies To Appropriate District Office
District I
1625 N. French Dr., Hobbs, NM 88240
District II
1301 W. Grand Ave., Artesia, NM 88210
District III
1000 Rio Brazos Rd., 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-103
May 27, 2004

OIL CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505

WELL API NO. 30-025-08555
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM B-1398
7. Lease Name or Unit Agreement Name State M
8. Well Number 3
9. OGRID Number 004537
10. Pool name or Wildcat Eumont Yates Seven Rivers Queen

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☐ Gas Well ☒ Other

2. Name of Operator
Citation Oil & Gas Corp.

3. Address of Operator
P O Box 690688, Houston, Texas 77269

4. Well Location
Unit Letter A : 660 feet from the North line and 660 feet from the East line
Section 1 Township 21S Range 35E NMPM Lea County

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

3557 DF

Pit or Below-grade Tank Application ☐ or Closure ☐

Pit type _____ Depth to Groundwater _____ Distance from nearest fresh water well _____ Distance from nearest surface water _____

Pit Liner Thickness: _____ mil Below-Grade Tank: Volume _____ bbls; Construction Material _____

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

SUBSEQUENT REPORT OF:

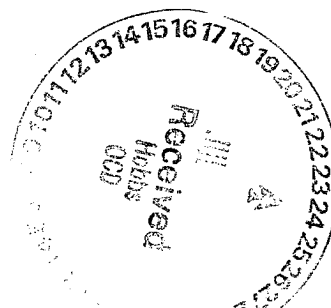
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

OTHER: Recomplete to Yates Seven Rivers ☒

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 1103. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

Citation Oil & Gas Corp. proposes to recomplete this well to the Yates Seven Rivers per attached procedures under NMOCD order SD-06-05.



I hereby certify that the information above is true and complete to the best of my knowledge and belief. I further certify that any 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 ☐.

SIGNATURE Sharon Ward TITLE Permitting Manager DATE July 19, 2006

Type or print name Sharon Ward

For State Use Only

E-mail address: petroleum@state.nm.gov Telephone No. 281-517-7309

APPROVED BY: [Signature] TITLE _____

Conditions of Approval (if any): _____

DATE AUG 04 2006

WORKOVER PROCEDURE

PROJECT: State M #3 – OAP and Frac

DRILLED & COMPLETED: 3/37 LAST WO: 7/78: Acidize and Frac

LOCATION: 660' FNL 660' FEL Sec 1 T21S R35E

FIELD: Eumont COUNTY: Lea STATE: NM

TD: 3,857' PBTD: 3,787' DATUM: 3,557' DF KB: 9'

CASING AND LINER RECORD

SIZE	WEIGHT	DEPTH	CEMENT	HOLE	TOC	REMARKS
12 ½"	40 ppf	164'	150 sxs	17 ½"	Surf	Cmt cir'd
9 5/8"	36 ppf	1,260'	375 sxs	11"	Surf	Cmt cir'd
7"	24 ppf	3,707'	175 sxs	8 3/4"	2,800'	TOC calc'd w/ 75% xs
6 ½" OH		3,707' – 3,857'		6 ½"		OH - PB w/ hydromite to 3,787'

Producing Formation: Queen OH: 3,707' – 3,857'

Rods: (16') 1 ¼" PR w/ 1 ½" x 8' PRL; (147) ¾" steel rods (Grade KD?); 2 ½" x 12' pump

Tubing: (121) jnts 2 7/8"; (1) 2 7/8" SN; (1) 2 7/8" perf sub; (1) jnt 2 7/8" BPMA

Note: SI well (2/98) – suspected casing leak - 94 BW w/ zero oil & zero gas.

PROCEDURE

- Notify NMOCD of planned work.
- Use 2% KCl water for all water placed in wellbore.
- RU gas buster pit and flowback manifold using secure steel lines w/ targeted connections.
- Need air unit to clean out after frac - flow back.
- Locate and rack 3,575' ¾" Grade KD rods w/ SM cplngs and 1 set ¾" Grade KD pony rods w/ SM cplngs.
- Locate and rack 3700' New 2 7/8" 6.5# J-55 prod tbg.
- Contact Reef Chemical (Gary Hyer – 432-570-7038) to line up 750 gal Gas Plus (375 gal per stage).
- Locate and rack 3,700' 5 1/2" 17 ppf UltFJ L-80 casing (Tarpon Pipe – Royce Watkins 432-638-8026). Pipe should have 1 short marker joint to be run 3 jnts off bottom. (Inner string -Pending casing pressure test and leak isolation).
- No Drill plate for inner string.

1. MIRU PU. Kill w/ 2% KCL water if necessary.
2. ND WH. NU BOP.

3. RIH w/ 6 1/8" MT skirted bit and 2 7/8" SN on 2 7/8" 6.5# tbg to +/- 3,700' (7" csg shoe @ 3,707'). Tally in hole. POH w/bit.
4. RIH w/ 2 7/8" tbg and set CIBP @ +/- 3,670' (**Note: do not use WL set CIBP**). Pull up 1 jnt and CHC. Load hole w/ 2% KCL & PT casing to 250 psi. (**Notify Midland of findings**). POH 2 7/8" WS.
5. RIH and dump bail 3 sx cmt on CIBP @ +/- 3,670' (20' cement cap on CIBP).
6. If a csg leak is indicated, RIH w/ an RBP, PKR, 2 7/8" SN on 2 7/8" tbg and isolate leak(s). Est injection rate into leak(s) and record. (**Notify Midland of findings**). POH w/ RBP, PKR and 2 7/8" tbg.
7. With hole loaded w/ 2% KCL, RU WL and RIH w/ GR/CNL. Run from new PBTD to surface. POH w/logging tools. Send GR/ Neutron log (**need LAS Files from logging company**) to Houston for evaluation of Yates and Seven Rivers formations.
8. RIH w/ GR/CBL/CCL and log from PBTD to TOC or minimum run. POH w/ logging tools. RD WL.
9. RIH w/ 2 jnts 5 1/2" UltFJ L-80 csg, x-over and 2 7/8" SN on 2 7/8" J-55 tbg to PBTD (+/-3,650'). POH w/ 5 1/2" csg on 2 7/8" tbg.
10. RIH w/ inner string as follows:
5 1/2" UltFJ float shoe, No Drill plate, 1 jnt 5 1/2" UltFJ L-80 csg, 5 1/2" UltFJ float collar, 2 jnts 5 1/2" UltFJ L-80 csg, 1 jnt 5 1/2" UltFJ L-80 Marker jnt and +/- 3,550' 5 1/2" UltFJ 17 ppf L-80 Inner String (5 1/2" OD, 4.892" ID (.304" wall thickness), 4.767" Drift diameter) and tag PBTD (CIBP w/ 20' cmt @ +/- 3,650'). **Pick up inner string 15' before cementing.**
11. Cement inner string in place as per service company recommendation. Periodically rotate and move string while cementing. Be sure to circulate cement. WOC.
12. RIH w/ 4 3/4" skirted bit, 3 1/8" DCs and 2 7/8" SN on 2 7/8" tbg and tag. RU Rev Unit and DO float collar and cement to No Drill plate. RD Rev Unit and POH w/ bit, DCs and 2 7/8" J-55 tbg.
13. RU WL w/ full lubricator. RIH w/ GR/CCL and correlate to above GR/CNL. POH w/ GR/CCL. RIH w/ 3 1/8" csg gun and Perf (stage 1) Seven Rivers w/ 1 SPF Select Fire (0.38" holes) as recommended by Reservoir group.
14. POOH w/ Csg guns.
15. RU hydrotesters and RIH w/ PPI Tool, 2 7/8" SN on 2 7/8" 6.5 ppf J-55 tbg to bottom perf of 1st stage hydrotesting to 5,500 psi (75% of new rating). Straddle target perfs and set PPI tool. Break down w/ 15% AS HCL acid (**Max treating pressure = 3,700 psi**). Rlse PPI tool and proceed to the next group of target perfs repeating the procedure until all Seven Rivers perfs are broken down / treated. (**Note-Record Max and Min pressures, Average injection rate, ISIP and signs of communication for each tool setting-treatment**). POOH w/ PPI tool on 2 7/8" tbg.
16. RU frac company. Pump (375 Gallons) Reef GAS PLUS down casing as per recommendation. Frac Seven Rivers perfs down casing as per service company recommendation using CO₂. Tag w/ IR-192 @ 0.5MC/1M# sand (74 day half-life). Record rates, max and min pressures and SIP's. (**NOTE: Max pressure = 4,000 psi @ 80%. All sand tagged w/ IR-192.**)
17. RU WL w/ lubricator. Lubricate CIBP (for 5 1/2" OD casing) in hole and set at +/-50' above top SR perf. POH.
18. Pressure csg to 500 psi w/ 2% KCL w/ full lubricator. RIH w/ 3 1/8" csg gun. Correlate to Gamma Ray Neutron log. Perf (stage 2) Yates w/ 1 SPF Select Fire (0.38" holes) as recommended by the Reservoir group.
19. POH w/ csg guns.

20. RIH w/ PPI Tool, 2 7/8" SN on 2 7/8" 6.5 ppf J-55 tbg to bottom perf of 2nd stage. Straddle target perfs and set PPI tool. Break down w/ 15% AS HCL acid (**Max treating pressure = 3,700 psi**). Rlse PPI tool and proceed to the next group of target perfs repeating the procedure until all Yates perfs are broken down / treated. . (**Note- Record Max and Min pressures, Average injection rate, ISIP and signs of communication for each tool setting-treatment**). POOH w/ PPI tool on 2 7/8" tbg.
21. Pump (375 Gallons) Reef GAS PLUS down casing as per recommendation. Frac Yates down casing as per service company recommendation using CO₂. Tag w/ SC-46 @ 0.5MC/1M# sand (84 day half-life). Record rates, max and min pressures and SIP's. (**NOTE: Max pressure = 4,000 psi @ 80%. All sand tagged w/SC-46.**)
22. Flow well back to gas buster pit using flowback manifold w/ targeted connections and secure steel lines.
23. Kill well w/ 2% KCL if required. RU foam air unit. RIH w/ 4 3/4" MT skirted bit, bit sub, (6) 3 1/8" DC's and SN on 2 7/8" 6.5# J-55 tbg to sand fill (second stage frac sand). CO sand to CIBP. RU power swivel. DO CIBP. RD power swivel.
24. FIH to sand fill (first stage frac sand). CO sand to PBTD @ +/- 3,700'. CHC. RD foam air unit. POH w/ bit and 2 7/8" tbg.
25. RU WL w/ Lubricator. Run After Frac Spectra (dual isotope) GR Log f/ 2,700' - PBTD. POH and RD WL.
26. Run 2 7/8" 6.5 ppf J-55 eue 8rd production tbg string as follows:

QTY	ITEM	LENGTH	DEPTH
TUBING	KB	9'	9'
112	Jts 2 7/8" 6.5# J-55 eue 8rd tbg	3472'	3481'
1	Jt 2 7/8" 6.5# J-55 eue 8rd IPC tbg	31'	3512'
1	2 7/8" SN	1'	3513'
1	2 7/8"x 4' TBG Sub	4'	3517'
1	Cavins D2701G Desander	20'	3537'
2	2 Jts 2 7/8" BPMA	62'	3599'

27. RU Swab. Swab well until clean fluid is produced. RD Swab.
28. Run rod string as follows:

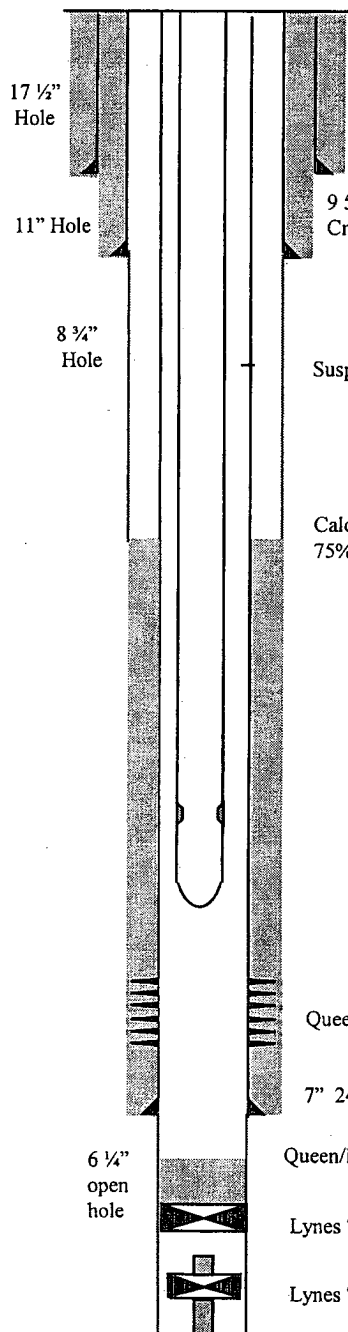
RODS			
1	1 1/4" x 16' PR w/ 1 1/2" x 10' Liner	16'	16'
Set	3/4" KD Rod Subs w/ SM couplings	10' (+/-)	26'
141	3/4" KD Rods w/ SM couplings	3525'	3551'
1	3/4" KD Rod Sub w/ SM couplings	2'	3553'
1	2 1/2" x 1 1/4" x 12' RHBC Pump	12'	3565'

29. Load tbg w 2% KCl and pressure test pump. Space out and hang well on. Place pumping unit in 54" SL at +/- 6 SPM (Expected production rate +/- 51 BFPD @ 100% efficiency and 1 1/4" pump).
30. RD MO PU. Return well to production and place on test.

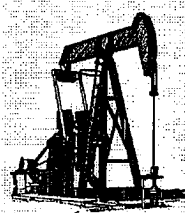
CITATION OIL AND GAS CORPORATION

CURRENT WELLBORE DIAGRAM AND INFORMATION

Well Name: State M #3 **Field:** Eumont field
Date: January 25, 2006 **Location:** 660' FNL & 660' FEL, Sec 1
County: Lea **State:** Lea county, New Mexico



12 1/2" 40# @ 164', Cmt w/150
sxs w/ cmt circ'd



9 5/8", 36#, Csg @ 1,260' American Type 505 w/54" SL
Cmt'd w/ 375 sxs circ'd to surface

Suspected 7" HIC - 2/98: 98 BWPD 0 BO 0 MCF

Calculated TOC @ 2,800' w/
75% xs

Queen perms 3,686' - 3,700' (6 shots)

7" 24# Csg @ 3,707' w/ 175 sx cmt w/ TOC @ 2,683' FS assuming 50% xs - calc

Queen/Penrose OH 3,707 - 3,787', PB OH w/ Hydromite to 3,787' July '78

Lynes "AF-66" 4 5/8" inflatable OH pkr set @ 3,803'

Lynes "AF-66" 4 5/8" OH pkr w/ 8' x 2 3/8" sub lost - TOF 3,822'

PBTD @ 3,787' (7/78)
TD @ 3,857'

API #: 30-025-08555
Surface: 660' FNL & 660' FEL
 Sec 1, T-21-S and R-35-E
 Lea County, NM
Completed: 3/1937
Elevation: 3,557 (DF)
KB: 9'

CASING DETAIL

Size	Weight	Depth
12 1/2"	40#	164'
9 5/8"	36#	Surf - 1,260'
7"	24#	Surf - 3,707'
6 1/4"	Open Hole	3,707 - 3,787'

TUBING DETAIL

Qty	Description	Length	Depth
--	KB	9	9
121	Jts 2 7/8", 6.5#, J-55 tbg 8rd	3680	3689
1	2 7/8" SN	1.1	3690
1	2 7/8" Perf Sub	4	3694
1	2 7/8" BPMA	31	3725

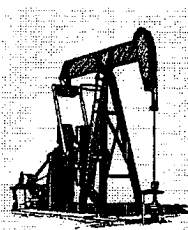
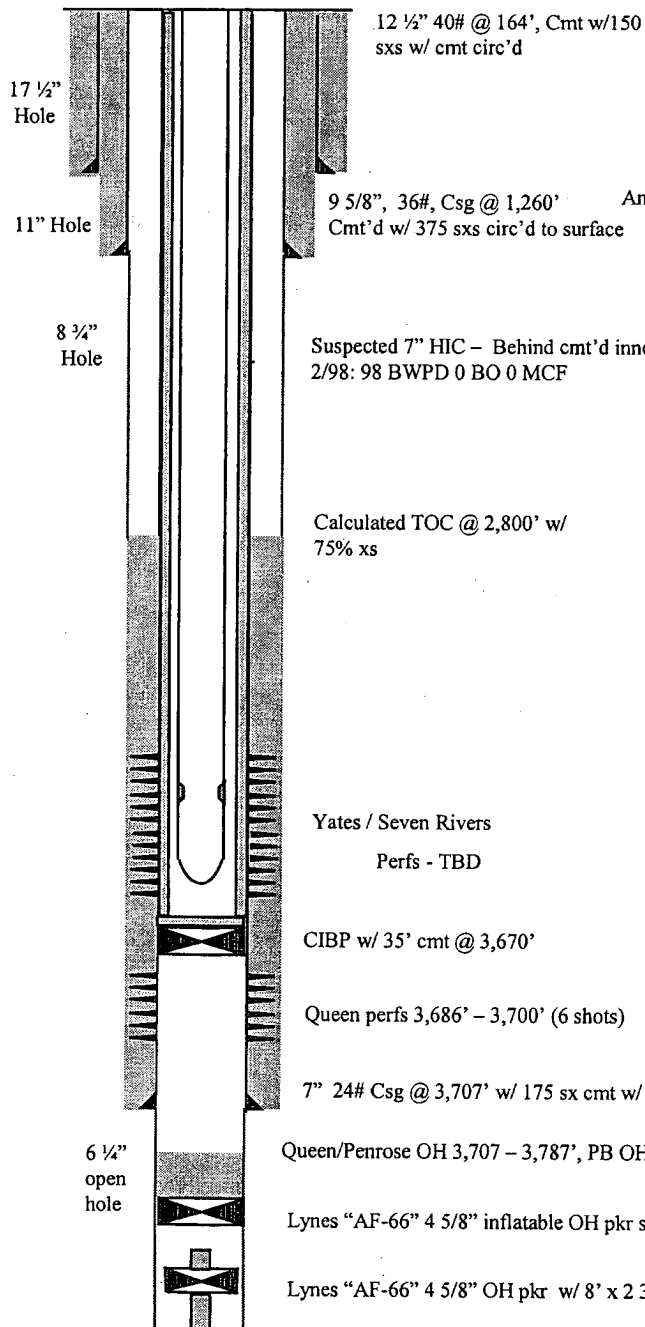
ROD DETAIL

Qty	Size	Type	Length
1	1 1/4"	PR	16'
147	3/4"	steel rods	3,675
Polish Rod: 1 1/4" x 16' PR w/ 1 1/2" x 8' PRL			
Pump: 2 1/2" x 1 1/2" x 12' pump			

CITATION OIL AND GAS CORPORATION

PROPOSED WELLBORE DIAGRAM AND INFORMATION

Well Name: State M #3 Field: Eumont field
 Date: January 25, 2006 Location: 660' FNL & 660' FEL, Sec 1
 County: Lea State: Lea county, New Mexico



API #: 30-025-08555
 Surface: 660' FNL & 660' FEL
 Sec 1, T-21-S and R-35-E
 Lea County, NM
 Completed: 3/1937
 Elevation: 3,557 (DF)
 KB: 9'

CASING DETAIL

Size	Weight	Depth
12 1/2"	40#	164'
9 5/8"	36#	Surf - 1,260'
7"	24#	Surf - 3,707'
5 1/2"	15.5#	Surf - 3,635'

TUBING DETAIL

Qty	Description	Length	Depth
—	KB	9	9
112	Jts 2 7/8", 6.5#, J-55 tbg	3472	3481
1	Jt 2 7/8", 6.5#, J-55 IPC tbg	31	3512
1	2 7/8" SN	1	3513
1	2 7/8" Tbg Sub	4	3517
1	Cavins D2701G Desander	20	3537
2	Jts 2 7/8" BPMA	62	3599

ROD DETAIL

Qty	Size	Type	Length
1	3/4"	KD Subs	+/- 10
141	3/4"	KD	3,525
1	3/4"	KD Sub	2
Polish Rod: 1 1/4" x 16' w/ 1 1/2" x 10' Liner			
Pump: 2 1/2" x 1 1/4" x 12'			

PBTD @ 3,787' (7/78)
 TD @ 3,857'