

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. 30-025-08558
5. Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/>
6. State Oil & Gas Lease No. NM B-1167
7. Lease Name or Unit Agreement Name State H
8. Well Number 1
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 P : 660 feet from the South line and 660 feet from the East line
Section 13 Township 21S Range 35E NMPM Lea County

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

3604 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:

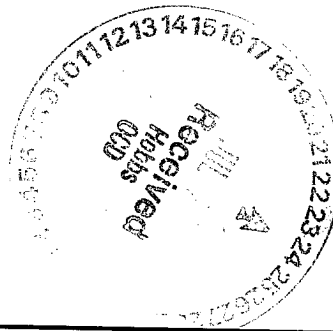
REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ P AND A ☐
CASING/CEMENT JOB ☐

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-05-05.



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 E-mail address: sward@cogc.com Telephone No. 281-517-7309

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE AUG 04 2006
Conditions of Approval (if any): _____

WORKOVER PROCEDURE

PROJECT: State H #1 – OAP and Frac

DRILLED & COMPLETED: 5/36 LAST WO: 3/91: Acidize and RTP

LOCATION: 660' FSL, 660' FEL Sec 13, T21S – R35E

FIELD: Eumont COUNTY: Lea STATE: NM

TD: 3,954' PBTD: 3,927' DATUM: 3,604' DF KB: 5'

CASING AND LINER RECORD

SIZE	WEIGHT	DEPTH	CEMENT	HOLE	TOC	REMARKS
12 ½"	50 ppf	297'	150 sxs	15"	Surf	Circ'd
9 5/8"	36 ppf	1,677'	450 sxs	11"	Surf	Circ'd
7"	24 ppf	3,750'	175 sxs	8 ¾"	2,850'	Calculated w/ 75%xs
6 ¼"	OH			6 ¼"	Na	PBTD 3,927' w/ TOF @3,902'

Producing Formation: Queen OH f/ 3,750' – 3,906 (OH PKR setting – FISH)

Rods: 1 ¼" x 16' PR w/ 1 ½" x 8' PRL; (22') ¾" Grade KD subs; (150) ¾" Grade KD rods; (2) ¾" KD sub; 2 ½" x 1 ¼" x 12' pump w/ 8' GA

Tubing: (121 jnts) 2 7/8" 6.5 ppf J-55 eue 8rd; (1) 2 7/8" SN; (1) 2 7/8" Perf'd tbg sub, (1 jnt) 2 7/8" BPMA

Note: OH packer FISH. TOF @ 3,902', PKR set @ 3,906.

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 3800' 2 7/8" 6.5# L-80 WS.
 - Locate and rack 3800' 3 1/2" 9.3# L-80 WS for treating (Tarpon Pipe –Royce Watkins 432-638-8026).
 - Contact Reef Chemical (Gary Hyer – 432-570-7038) to line up 750 gal Gas Plus (375 gal per stage).
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# L-80 WS to 3,740' (top of OH @ 3,750'). Tally in hole. POH w/bit.

4. RIH w/ 2 7/8" WS and set CIBP for 7" csg @ +/- 3,725'. POH 2 7/8" WS (**Note: do not use WL set CIBP**).
5. RIH and dump bail 5 sx cmt on CIBP @ +/- 3,725' (35' cement on CIBP).
6. Load hole w/ 2% KCL and PT to 250 psi. (**NOTIFY Midland of results**)
7. RIH w/ GR/CNL/CCL. Run from PBTD (3,690') 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. RIH w/ GR/CBL/CCL. Run f/ PBTD (3,690') to TOC or minimum run. POH w/ logging tools. Evaluate log for cmt top.
8. RU WL w/ full lubricator. RIH w/ 4" csg gun. Correlate to above GR / CNL log. Perf (stage 1) Seven Rivers w/ 1 SPF Select Fire (0.38" holes) as recommended by Reservoir group.
9. POOH w/ Csg guns.
10. RU hydrotesters and RIH w/ PPI Tool, 2 7/8" SN on 2 7/8" 6.5 ppf L-80 WS to bottom perf of 1st stage tesing to 7,000 psi (66% of new rating). Straddle target perfs and set PPI tool. Break down w/ 15% AS HCL acid (**Max treating pressure = 6,000 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" WS.
11. RU hydrotesters. RIH w/ Arrowset 1X Frac Pkr w/ Dual Direction flapper valves, P-110 Inner Flow Tube (2.0"ID) and T-2 On/Off tool and 2 7/8" SN on 3 1/2" 9.3# L-80 WS. Test tbg to 7000 psi BS (**69% of new rating**). Set PKR +/- 50' over top perf.
12. Load csg w/ 2% KCL. Hold 500 psi on csg w/ pop off set at +/- 750 psi. Monitor csg throughout acid and frac job.
13. Pump (375 Gallons) Reef GAS PLUS as per recommendation. Frac Seven Rivers perfs 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 = 5,500 psi. All sand tagged w/ IR-192.**)
14. RU gas buster pit and flowback manifold using secure steel lines w/ targeted connections. Connect steel lines to tubing via hose. Rlse On-Off Tool and sting +/- 10' out of packer. Check for backflow. Pump an tubing volume + 20 bbls of 2% KCL water using a pump truck down the back side, circulating out of the tubing to the steel lines, manifold and the gas buster pit (**NOTE: Initial flowback will likely be hard due to CO2 bubble that will circulate off bottom**).
15. POH w/ Inner Flow Tube and On-Off tool.
16. RU WL w/ full lubricator. Pressure csg to 500 psi w/ 2% KCL. RIH w/ 4" 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.
17. POH w/ csg guns.
18. RIH w/ PPI Tool, 2 7/8" SN on 2 7/8" 6.5 ppf L-80 WS to bottom perf of 2nd stage. Straddle target perfs and set PPI tool. Break down w/ 15% AS HCL acid (Max treating pressure = 6,000 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" WS.
19. RIH w/ treating PKR, 2 7/8" SN AND X-Over on 3 1/2" WS. Set pkr +/- 50' above top perf.
20. Load csg w/ 2% KCL. Hold 500 psi on csg w/ pop off set at +/- 750 psi. Monitor csg throughout acid and frac job.

21. Pump (375 Gallons) Reef GAS PLUS as per recommendation. Frac Yates 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 = 5,500 psi. All sand tagged w/SC-46.)
22. Flow well back to gas buster pit using frac manifold w/ targeted connections and secure steel lines.
23. Kill well w/ 2% KCL if required. Rlse Pkr. POH w/ 3 1/2" WS. LD Pkr and 3 1/2" WS.
24. RIH w/ frac Pkr retrieving head and 2 7/8" SN on 2 7/8" WS to frac Pkr. RU foam air unit and clean out sand to Pkr. RD foam air unit. Latch onto Pkr and release. POH w/ frac Pkr and 2 7/8" WS.
25. RIH w/ notched collar and 2 7/8" SN on 2 7/8" WS. Tag for fill. RU foam air unit and clean out frac sand to PBTD. CHC. RD foam air unit. POH w/ bit and LD 2 7/8" WS.
26. RU WL w/ Lubricator. Run After Frac Spectra (dual isotope) GR Log f/ 2,700' - PBTD. POH and RD WL.
27. Run 2 7/8" 6.5 ppf J-55 eue 8rd production tbg string as follows:

QTY	ITEM	LENGTH	DEPTH
TUBING	KB	5'	5'
114	Jts 2 7/8" 6.5# J-55 eue 8rd tbg	3534'	3539'
1	Jt 2 7/8" 6.5# J-55 eue 8rd IPC tbg	31'	3570'
1	2 7/8" SN	1'	3571'
1	2 7/8"x 4' TBG Sub	4'	3575'
1	Cavins D2701G Desander	20'	3595'
2	2 Jts 2 7/8" BPMA	62'	3657'

28. RU Swab. Swab well until clean fluid is produced. RD Swab.

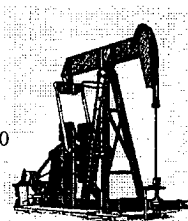
29. Run rod string as follows:

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'
143	3/4" KD Rods w/ SM couplings	3575'	3601'
1	3/4" KD Rod Sub w/ SM couplings	2'	3603'
1	2" x 1 1/4" x 12' RHBC Pump	12'	3615'

30. Load tbg w 2% KCl and pressure test pump. Space out and hang well on. Place pumping unit in 55" SL at +/- 6 SPM (Expected production rate +/- 52 BFPD @ 100% efficiency and 1 1/4" pump).
31. RD MO PU. Return well to production and place on test.

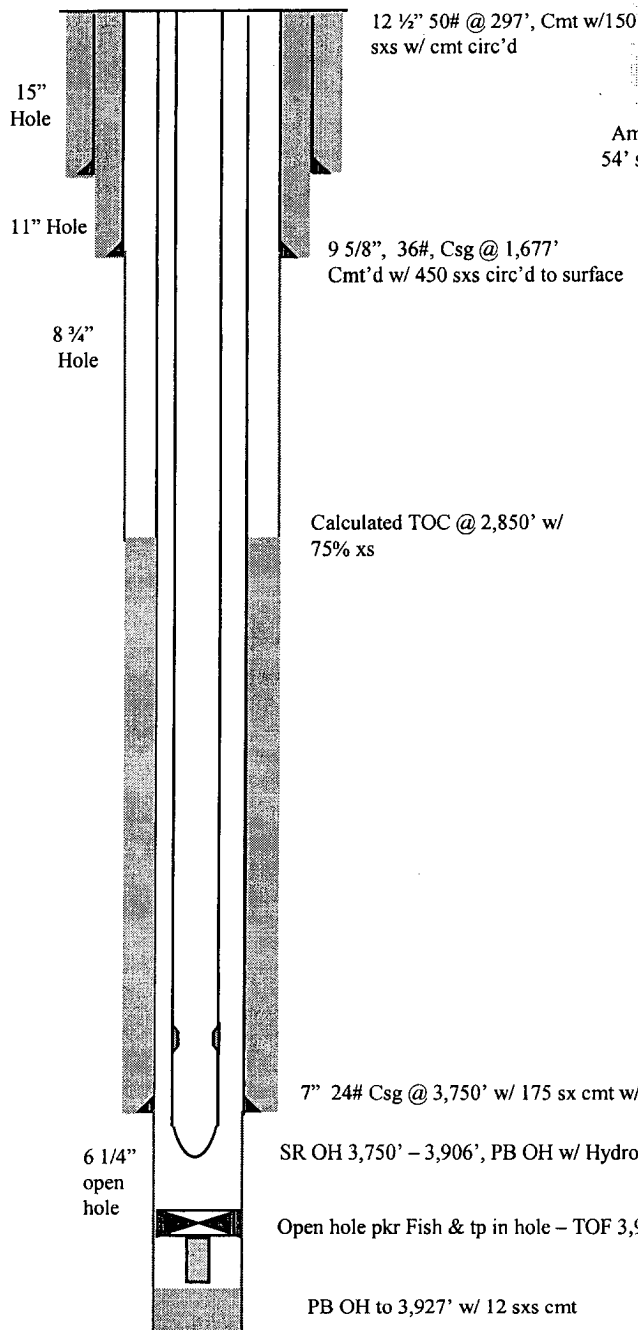
CITATION OIL AND GAS CORPORATION CURRENT WELLBORE DIAGRAM AND INFORMATION

Well Name: State H #1 **Field:** Eumont field
Date: January 25, 2006 **Location:** 660' FSL 660' FEL, Sec 13
County: Lea **State:** New Mexico



American C 160-173-74 in
54' stroke hole running 9 spm

API	30-025-08558
Surface:	660' FSL & 660' FEL
	Sec 13, T-21-S and R-35-E
	Lea County, NM
Completed:	5/36
Elevation:	3,604' (DF)
KB:	5'



CASING DETAIL		
Size	Weight	Depth
12 1/2"	50#	297'
9 5/8"	36#	Surf - 1,677'
7"	24#	Surf - 3,750'
6 1/4"	Open Hole	3,750' - 3,927'

TUBING DETAIL			
Qty	Description	Length	Depth
--	KB	5	5
121	Jts 2 7/8", 6.5#, J-55 tbg 8rd	3801	3806
1	2 7/8" SN	1.1	3807
1	2 7/8" Perf Sub	4	3811
1	2 7/8" BPMA	31	3842

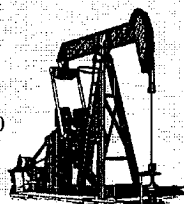
ROD DETAIL			
Qty	Size	Type	Length
1	1 1/4"	PR	16'
4	3/4"	Pony rods	22'
150	3/4"	steel rods	3,750'
Polish Rod: 1 1/4" x 16' PR w/ 1 1/2" x 8' PRL			

PBTD @ 3,927'
TD @ 3,954'

CITATION OIL AND GAS CORPORATION

PROPOSED WELLBORE DIAGRAM AND INFORMATION

Well Name: State H #1 **Field:** Eumont field
Date: January 25, 2006 **Location:** 660' FSL 660' FEL, Sec 13
County: Lea **State:** New Mexico



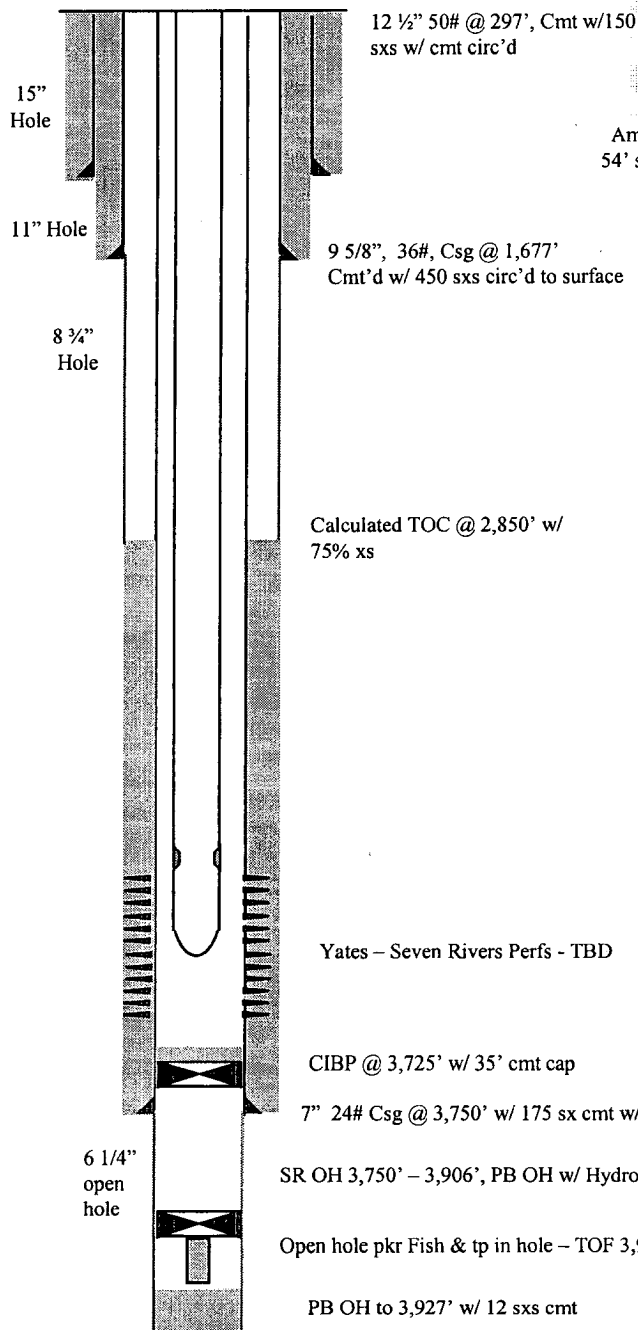
American C 160-173-74 in
54' stroke hole running 6 spm

API	30-025-08558
Surface:	660' FSL & 660' FEL
	Sec 13, T-21-S and R-35-E
	Lea County, NM
Completed:	5/36
Elevation:	3,604' (DF)
KB:	5'

CASING DETAIL		
Size	Weight	Depth
12 1/2"	50#	297'
9 5/8"	36#	Surf - 1,677'
7"	24#	Surf - 3,750'
6 1/4"	Open Hole	3,750' - 3,927'

TUBING DETAIL			
Qty	Description	Length	Depth
—	KB	5	5
114	Jts 2 7/8", 6.5#, J-55 tbg	3534	3539
1	Jt 2 7/8", 6.5#, J-55 IPC tbg	31	3570
1	2 7/8" SN	1	3571
1	2 7/8" Tbg Sub	4	3575
1	Cavins D2701G Desander	20	3595
2	Jts 2 7/8" BPMA	62	3657

ROD DETAIL			
Qty	Size	Type	Length
1	3/4"	KD Subs	+/- 10
143	3/4"	KD	3,575
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 @ 3,927'
TD @ 3,954'