



STATE OF NEW MEXICO  
ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC \_\_\_\_\_  
DHC \_\_\_\_\_  
NSL   X   \_\_\_\_\_  
NSP \_\_\_\_\_  
SWD \_\_\_\_\_  
WFX \_\_\_\_\_  
PMX \_\_\_\_\_

Gentlemen:

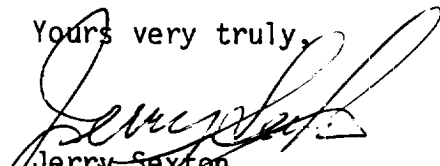
I have examined the application for the:

CITATION OIL & GAS CORP DEVONIAN STATE # 2B4 # 3A 20-21-36  
Operator Lease & Well No. Unit S-T-R

and my recommendations are as follows:

OK

Yours very truly,

  
Jerry Sexton  
Supervisor, District 1

/ed



NEW MEXICO ENERGY, MINERALS  
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION  
2040 South Pacheco Street  
Santa Fe, New Mexico 87505  
(505) 827-7131

October 1, 1996

Citation Oil & Gas Corp.  
c/o Kellahin and Kellahin  
P.O. Box 2265  
Santa Fe, New Mexico 87504-2265

Attention: W. Thomas Kellahin

Re: *Administrative application for two unorthodox Eumont gas well locations and simultaneous dedication:  
Devonian State Well Nos. 2 and 3 in Units "B" and "A", respectively, within the E/2 of Section 20, Township 21 South, Range 36 East, NMPM, Eumont Gas Pool, Lea County, New Mexico.*

Dear Mr. Kellahin:

On September 27, 1996 the Division received an objection from Chevron U.S.A. Production Company to the subject application, see copy of letter attached.

This application will therefore be set for hearing before a Division Hearing Examiner on the next available docket scheduled for November 7, 1996. Further review of this application and OCD records of wells within the subject 320 acres comprising the E/2 of said Section 20 indicates that additional information by Citation will be necessary at that time. This matter will therefore be advertised in the following manner:

"Application of Citation Oil & Gas Corp. for two unorthodox gas well locations and for simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of two unorthodox gas well locations in the Eumont Gas Pool for its existing: (i) Devonian State Well No. 2 (API No. 30-025-04729), located 660 feet from the North line and 1980 feet from the West line (Unit B) of Section 20, Township 21 South, Range 36 East; and, (ii) Devonian State Well No. 3 (API No. 30-025-04730), located 660 feet from the North and West lines (Unit A) of said Section 20. Eumont gas production from both wells to be simultaneously dedicated to the existing 320-acre non-standard gas spacing and proration unit comprising the E/2 of said Section 20 (established by Division Administrative Order NSP-488, dated May 11, 1959), which is currently dedicated to its Devonian State Com Well No. 1 (API No. 30-025-04728), located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 20. Said unit is located approximately 2.5 miles south southeast of Oil Center, New Mexico. Further, the applicant at the time of the hearing shall review the status of all other Eumont production, both oil and gas, within the E/2 of said Section 20 and the status and/or effect of Division Administrative Order NSL-3646(SD), dated April 3, 1996, with respect to this application."

Please provide adequate notice pursuant to Rule 1207.A(5) of the Division's General Rules and Regulations.

Should you have any questions concerning this matter, please contact me in Santa Fe at (505) 827-8185.

Sincerely,

A handwritten signature in dark ink, appearing to read "Michael E. Stogner", with a long horizontal flourish extending to the right.

Michael E. Stogner  
Chief Hearing Officer/Engineer

cc: Oil Conservation Division - Hobbs  
Chevron U.S.A. Production Company, c/o William F. Carr - Santa Fe

**CAMPBELL, CARR. BERGE  
& SHERIDAN, P.A.  
LAWYERS**

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MARK F. SHERIDAN**

**MICHAEL H. FELDEWERT  
TANYA M. TRUJILLO  
PAUL R. OWEN**

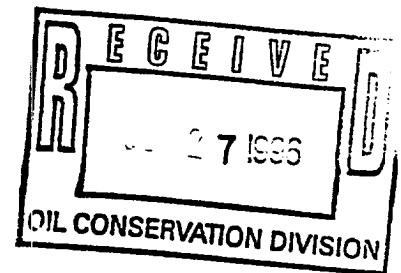
**JACK M. CAMPBELL  
OF COUNSEL**

JEFFERSON PLACE  
SUITE 1 - 110 NORTH GUADALUPE  
POST OFFICE BOX 2208  
SANTA FE, NEW MEXICO 87504-2208  
TELEPHONE: (505) 988-4421  
TELECOPIER: (505) 983-6043

September 27, 1996

**HAND-DELIVERED**

William J. LeMay, Director  
Oil Conservation Division  
New Mexico Department of Energy,  
Minerals and Natural Resources  
2040 South Pacheco Street  
Santa Fe, New Mexico 87503



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. LeMay:

Chevron U.S.A. Production Company, received the enclosed application for administrative approval dated September 9, 1996. On behalf of Chevron we object to the proposed unorthodox well location and request that the matter be set for hearing at the next available examiner hearing.

Thank you for your attention to this matter.

Very truly yours,

William F. Carr

*2.5 miles S-SW of Oil Center*

WFC/edr

cc: Tom Kellahin  
M.R. Gilmore, Jr.