

State of Colorado Oil and Gas Conservation Commission 1120 Lincoln Street, Suite 801, Denver, Colorado 80203 Phone: (303)894-2100 Fax:(303)894-2109

RECEIVED FOR COGCC MAY 20 2005 COGCC 20050014

APPLICATION FOR PERMIT TO:

- 1. Drill, Deepen, Re-enter, Recomplete and Operate

2. TYPE OF WELL OIL GAS COALBED OTHER: SINGLE ZONE MULTIPLE ZONES COMMINGLE ZONES

Refilling Sidetrack

3. COGCC Operator Number: 17180 4. Name of Operator: Citation Oil & Gas Corp. 5. Address: P O Box 690688 City: Houston State: TX Zip: 77269 6. Contact Name: Sharon Ward Phone: 281-517-7309 Fax: 281-469-9667 7. Well Name: Bledsoe Ranch Well Number: 6 8. Unit Name (if appl): Bledsoe Ranch Unit Unit Number: 468 9. Proposed Total Depth: 6226'

Attachment Checklist OP COGCC APD Orig & 1 Copy Form 2A Well location plat Topo map Mineral lease map Surface agrmt/Surety 20 Day notice letter Deviated Drilling Plan Exception Loc Request Exception Loc Waivers H2S Contingency Plan Federal Drilling Permit

10. Qtr: SESENW Sec: 31 Twp: 12S Rng: 50W Meridian: 6th Principal Footage from Exterior Section Lines At Surface: 2450' FWL & 3001' FSL 11. Field Name: Bledsoe Ranch Field Number: 6903 12. Ground Elevation: 4805' 13. County: Cheyenne

14. If well is: Directional Horizontal (highly deviated), submit deviated drilling plan. Footage from Exterior Section Lines and Sec Twp Rng At Top of Production Zone: At Bottom Hole:

15. Is location in a high density area (Rule 603b)? Yes No 16. Distance to the nearest building, public road, above ground utility or railroad: 1/4 mile 17. Distance to Nearest Property Line: +/- 667' 18. Distance to nearest well permitted/completed in the same formation: +/-1808'

19. LEASE, SPACING AND POOLING INFORMATION Table with columns: Objective Formation(s), Formation Code, Spacing Order Number (s), Unit Acreage Assigned to Well, Unit Configuration (N/2, SE/4, etc.)

20. Mineral Ownership: Fee State Federal Indian Lease # 82/7713-S 21. Surface Ownership: Fee State Federal Indian 22. Is the Surface Owner also the Mineral Owner? Yes No Surface Surety ID# 104401322 20050015 23. Using standard Qtr, Sec, Twp, Rng format enter entire mineral lease description upon which this proposed wellsite is located (attach separate sheet/map if you prefer): Section 36, T12S, R51W, Cheyenne County, Colorado SEE ATTACHED 24. Distance to Nearest Mineral Lease Line: 2456' 25. Total Acres in Lease: 284.71/1969.52 in unit

DRILLING PLANS AND PROCEDURES 26. Is H2S anticipated? Yes No If Yes, attach contingency plan. 27. Will salt sections be encountered during drilling? Yes No 28. Will salt (>15,000 ppm TDS Cl) or oil based muds be used during drilling? Yes No 29. If questions 27 or 28 are yes, is this location in a sensitive area (Rule 903)? Yes No If 27, 28 or 29 are "Yes" a pit permit may be required. 30. Mud disposal: Offsite Onsite Method: Land Farming Land Spreading Disposal Facility Other: NOTE: The use of an earthen pit for Recompletion fluids requires a pit permit (Rule 905b.) If air/gas drilling, notify local fire officials. Table with columns: String, Size of Hole, Size of Casing, Weight Per Foot, Setting Depth, Sacks Cement, Cement Bottom, Cement Top

31. BOP Equipment Type: Annular Preventor Double Ram Rotating Head None 32. Comments Citation plans to recomplete this well to a gas producer in the Morrow V-7 zone and provide the gas to the Speaker Unit. 33. Initial Rule 306 Consultation took place on (date) _____, was waived, or is not required. Provide supporting documentation if consultation has been waived or if good faith effort did not result in consultation. PERMIT SUBMITTED TO COGCC PRIOR TO COMPLIANCE WITH RULE 306 CONSULTATION SHALL BE RETURNED UNAPPROVED. I hereby certify that a complete permit package has been sent to the applicable Local Government Designee(s), and all statements made in this form are, to the best of my knowledge, true, correct, and complete. Signed: Sharon Ward Print Name: Sharon Ward Title: Regulatory Administrator Date: 5/19/05

Based on the information provided herein, this Application for Permit-to-Drill complies with COGCC Rules and applicable orders and is hereby approved. COGCC Approved: [Signature] Director of COGCC Date: 5-24-05 Permit Number: 20051829 Expiration Date: 5-23-06

API NUMBER 05-017-06478-00

CONDITIONS OF APPROVAL, IF ANY: NONE

BLEDSOE #6 MORROW RECOMPLETION PROCEDURE
BLEDSOE RANCH FIELD
CHEYENNE COUNTY, CO
(May 2005)



OBJECTIVE:

Squeeze cement Marmaton perfs; recomplete to Morrow, obtain PBU data (pressure bomb).

Existing perforations: Marmaton perfs: 5,499'-5,506'.
CIBP at 5650' w/ 1 sk cmt on top.
Morrow perfs: 6180'-6184'.



Current well condition/status: Marmaton producing oil well.

PROCEDURE:

1. MIRU SU. ND Tree. NU BOPE.
2. TOH w/ pump and rods. Release TAC. TOH w/ 2 7/8" tubing.
3. RIH w/ 4 3/4" bit and 5 1/2" casing scraper to tag top of CIBP/cement at +/- 5461'.
4. TOH w/ bit and scraper.
5. Hydrotest in hole with 5 1/2" CICR. Set CICR at +/- 5470'. Establish injection rate into Marmaton perfs (Report rate to Engineering- cmt vol in step #6 may be adjusted depending on rate). Load casing w/ produced water.
6. Rig up Cementers. Mix and pump 30 sx class 'G' cement below CICR. Sting out of CICR. Spot 1sx cement on top.
7. POH w/ 3 stands of tubing to +/- 5280'. Reverse tubing clean w/ 45 bbl produced water.
8. TOH w/ tubing.
9. RIH w/ 4 3/4" bit and 4-3 1/2" drill collars. Rig up power swivel. Drill out CICR at 5470' and Marmaton cement squeeze. Pressure test casing to 300 psi. Drill out cement on top of CICR at 5650'.
10. Swab casing down to 5400' dfs.
11. TOH w/ bit and drill collars.
12. RIH w/ Sand-line drill. Knock out CIBP at 5650'. TOH w/ Sand-line drill.
13. RIH w/ 4 3/4" bit and 5 1/2" casing scraper to PBTD (+/-6229'). TOH w/ bit and scraper.
14. RU WL and reperf the Morrow V-7 from 6182'-6193' open-hole w/ 4", 4SPF casing gun (6173'-6184' to the 10/20/84 Schlumberger CBL). RD WL.
15. TIH w/ BHA and production tubing: land seat nipple at +/-6190' w/ TAC at +/- 6095'. ND BOPE. Swab tbg down to seat nipple. RIH w/ pressure bomb to get PBU data. TOH w/ pressure bomb.
16. RIH w/ 1.5" pump and rod string. *Note: will need to pick up about 21 xtra jnts of tubing and 28-3/4" grade D sucker rods.
17. Complete surface hookups.
18. RDMO SU. Turn well to production.

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Oil and Gas Conservation Commission

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FOR OGCC USE ONLY

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MAY 23 05
COGCC

SUNDRY NOTICE

Submit original plus one copy. This form is to be used for general, technical and environmental sundry information. For proposed or completed operations, describe in full on Technical Information Page (Page 2 of this form.) Identify well or other facility by API Number or by OGCC Facility ID. Operator shall send an informational copy of all sundry notices for wells located in High Density Areas to the Local Government Designee (Rule 603b).

1. OGCC Operator Number: 17180	4. Contact Name Sharon Ward	Complete the Attachment Checklist OP OGCC
2. Name of Operator: Citation Oil & Gas Corp.	Phone: 281-517-7309	
3. Address: P O Box 690688 City: Houston State: TX Zip: 77269	Fax: 281-469-9667	
5. API Number 05-017-06478	6. OGCC Facility ID Number	Survey Plat
7. Facility Name: Bledsoe Ranch	Operator's Facility Number	Directional Survey
8. Location (QtrQtr, Sec, Twp, Rng, Meridian): SE SE NW Sec. 31-T12S-R50W		Surface Eqmpt Diagram
9. County: Cheyenne	10. Field Name: Bledsoe Ranch	Technical Info Page
11. Federal, Indian or State Lease Number: Fee		Other

General Notice

CHANGE OF LOCATION: Attach New Survey Plat

Change of Surface Location from (QtrQtr, Sec, Twp, Rge, Mer): _____

Change of Surface Location from Exterior Section Lines: _____

Change of Surface Location to (QtrQtr, Sec, Twp, Rge, Mer): _____

Change of Surface Location to Exterior Section Lines: _____

Change of Bottomhole location should be noted on the Technical Information Page 2 of this form and deviated drilling plan should be submitted.

Ground Elevation: _____ Is location in a high density area (Rule 603b)? Yes No

Distance to nearest Property Line: _____ Distance to nearest Lease Line: _____

Distance to nearest Building, Public Rd, above ground utility or railroad: _____

Has Surface Owner consultation taken place? Yes No

CHANGE OF OPERATOR (prior to drilling):

Effective Date: _____

Plugging Bond: Blanket Individual

CHANGE WELL NAME AND NUMBER:

From: _____

To: _____

Effective Date: _____

ABANDONED LOCATION:

Was location ever built? Yes No

Is site ready for inspection? Yes No

Date Ready for Inspection: _____

NOTICE OF CONTINUED SHUT IN STATUS

Date well shut in or temporarily abandoned: _____

Has Production Equipment been removed from site? Yes No

MIT required if shut in longer than two years. Date of last MIT: _____

SPUD DATE: _____

REQUEST FOR CONFIDENTIAL STATUS (6 mos from completion date)

RECLAMATION: Attach technical page describing final reclamation procedures per Rule 1004.

Final reclamation will commence on approximately _____ Final reclamation is completed and site is ready for inspection.

Technical Engineering/Environmental Notice

Notice of Intent
Approximate Start Date: _____

Report of Work Done
Date Work Completed: _____

Details of work must be described in full on Technical Information Page (Page 2 must be submitted.)

<input checked="" type="checkbox"/> Intent to Recomplete (submit form 2)	<input type="checkbox"/> Request to Vent or Flare	<input type="checkbox"/> E&P Waste Disposal
<input type="checkbox"/> Change Drilling Plans	<input type="checkbox"/> Repair Well	<input type="checkbox"/> Beneficial Reuse of E&P Waste
<input type="checkbox"/> Reservoir Stimulation	<input type="checkbox"/> Rule 502 variance requested	<input type="checkbox"/> New Pit
<input type="checkbox"/> Perforating/Perfs Added	<input type="checkbox"/> Casing/Cementing Program Change	<input type="checkbox"/> Landfarming
Gross Interval Changed? <input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	<input type="checkbox"/> Status Update/Change of Remediation Plans for Spills and Releases

I hereby certify that the statements made in this form are, to the best of my knowledge, true, correct and complete.

Signed: Sharon Ward Date: 05/23/2005

Print Name: Sharon Ward Title: Regulatory Administrator

OGCC Approved: [Signature] Title: SR. PETROLEUM ENGINEER
O & G Cons. Comm. 5/24/05

CONDITIONS OF APPROVAL, IF ANY:



TECHNICAL INFORMATION PAGE



EOR-OGCC USE ONLY
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COGCC

1. OGCC Operator Number: 17180 API Number: 05-017-06478
2. Name of Operator: Citation Oil & Gas Corp.
3. Well Name: Bledsoe Ranch Well Number: 6
4. Location: (QtrQtr, Sec, Twp, Rng, Mer): SE SE NW Sec. 31-T12S-R50W

This form is to be completed whenever a Sundry Notice is submitted requiring detailed report of work to be performed or completed. This form shall be transmitted within 30 days of work completed as a "subsequent" report and must accompany Form 4, page 1.

DESCRIBE PROPOSED OR COMPLETED OPERATIONS

See attached procedure to recomplete to Morrow V-7.