

6 1/2 mi North
Barry

N.M. Oil Cons. DIV-Dist. 2
1301 W. Grand Avenue
Artesia, NM 88210

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		5. Lease Serial No. NMLC0566160-8	
1b. Type of Well: <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		6. If Indian, Allottee or Tribe Name	
2. Name of Operator Premier Oil & Gas Inc.		7. If Unit or CA Agreement, Name and No.	
3a. Address P.O. Box 1246 Artesia, NM 88210		8. Lease Name and Well No. Gissler A #7	
3b. Phone No. (include area code) 505-748-2093		9. API Well No. 30-015- 33589	
4. Location of Well (Report location clearly and in accordance with any State requirements) At surface 330' FNL and 2310' FWL At proposed prod. zone same		10. Field and Pool, or Exploratory Loco Hills Paddock	
14. Distance in miles and direction from nearest town or post office* 2 1/2 miles NE of Loco Hills, NM		11. Sec., T. R. M. or Blk. and Survey or Area Sec. 23-T17S-R30E	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drg. unit line, if any) 330'		12. County or Parish Eddy	
16. No. of acres in lease 80		13. State NM	
17. Spacing Unit dedicated to this well 40			
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 990'		20. BLM/BIA Bond No. on file NMB000081	
19. Proposed Depth 6000'			
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 3685 GL		23. Estimated duration 24 days	
22. Approximate date work will start* 07/15/2004			

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature <i>Kenneth C. Jones</i>	Name (Printed/Typed) Kenneth C. Jones	Date 04/20/2004
Title Vice President		
Approved by (Signature) /s/ Joe G. Lara	Name (Printed/Typed) /s/ Joe G. Lara	Date JUL 27 2004
Title FIELD MANAGER		
Office CARLSBAD FIELD OFFICE		

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
Conditions of approval, if any, are attached.

APPROVAL FOR 1 YEAR

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

Loswell Controlled Water Basin

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Witness Surface Casing

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-144
March 12, 2004

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

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: Premier Oil & Gas, Inc. Telephone: 505-748-2093 e-mail address: _____
Address: P.O. Box 1246, Artesia, NM 88211-1246
Facility or well name: Gissler A #7 API #: 30-015 U/L or Qtr/Qtr C Sec 23 T 17S R 30E
County: Eddy Latitude _____ Longitude _____ NAD: 1927 ☐ 1983 ☐ Surface Owner Federal ☒ State ☐ Private ☐ Indian ☐

Pit Type: Drilling <input type="checkbox"/> Production <input checked="" 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>12</u> mil Clay <input type="checkbox"/> Volume _____ bbl	Below-grade tank 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)
	50 feet or more, but less than 100 feet	(10 points)
	100 feet or more <input checked="" type="checkbox"/>	(0 points) <input checked="" type="checkbox"/>
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)
	No <input checked="" type="checkbox"/>	(0 points) <input checked="" type="checkbox"/>
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)
	1000 feet or more <input checked="" type="checkbox"/>	(0 points) <input checked="" type="checkbox"/>
Ranking Score (Total Points)		0 Points

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: 07/26/04
Printed Name/Title: Rosalie Jones, President Signature: Rosalie Jones

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.

Approved: JUL 26 2004
Date: _____
Printed Name/Title: Wild Sep IV Signature: [Signature]

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

DISTRICT III
1000 Rio Brazos Rd., Artec, NM 87410

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

State of New Mexico
Energy, Minerals and Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, New Mexico 87504-2088

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

WELL LOCATION AND ACREAGE DEDICATION PLAT

☐ AMENDED REPORT

API Number	Pool Code	Pool Name
Property Code	Property Name GISSLER	Well Number 7
GRID No.	Operator Name PREMIER OIL & GAS, INC.	Elevation 3685'

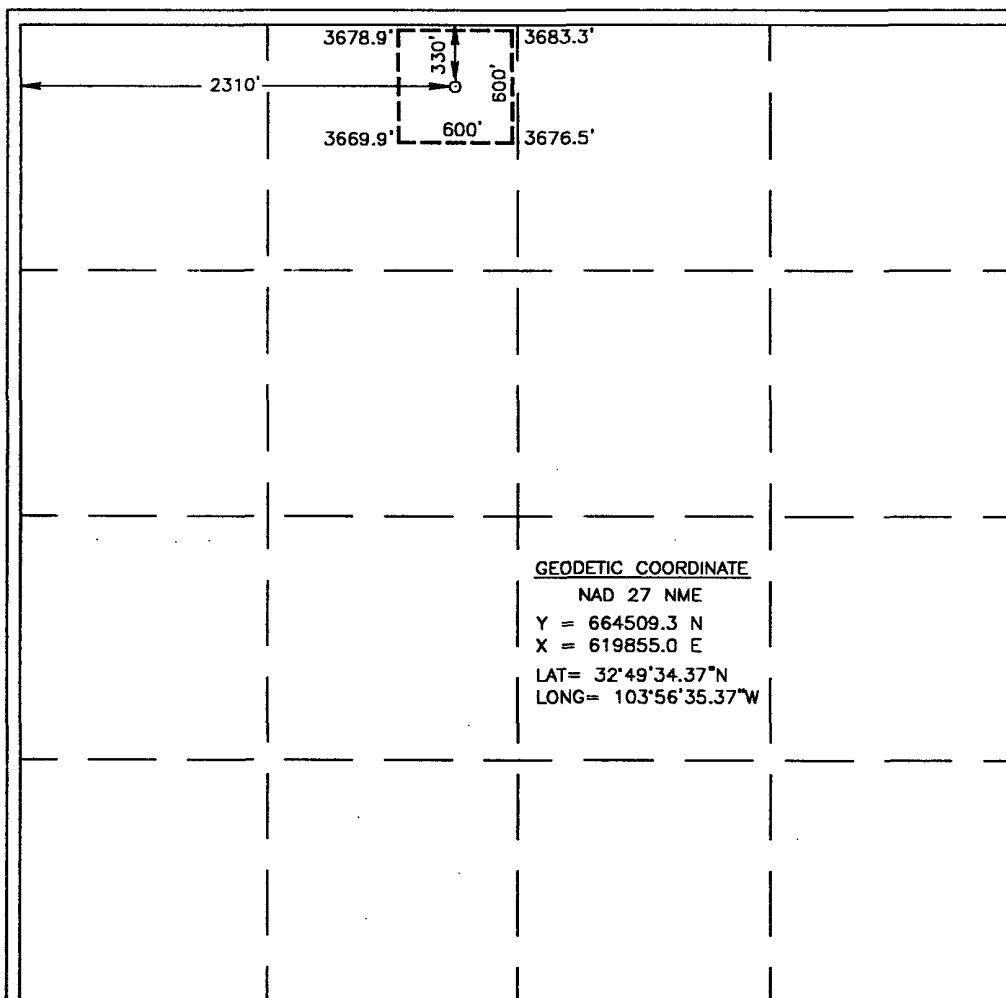
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
C	23	17-S	30-E		330'	NORTH	2310'	WEST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						

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



GEODETIC COORDINATE
NAD 27 NME
Y = 664509.3 N
X = 619855.0 E
LAT= 32°49'34.37"N
LONG= 103°56'35.37"W

OPERATOR CERTIFICATION

I hereby certify the the information
contained herein is true and complete to the
best of my knowledge and belief.

Kenneth Jones
Signature
Kenneth Jones

Printed Name
Vice President

Title
04/23/04

Date

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.

August 06, 2003

Date Surveyed: EIDSON AWB
Signature & Seal of
Professional Surveyor

Ronald J. Eidsen 9/24/03
03.11.0850

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641

DRILLING PROGRAM

Attached to Form 3160-3
Premier Oil and Gas, Inc.
Gissler A #7
330' FNL and 2310' FWL
Section 23-17S-30E
Eddy County, New Mexico

1. Geologic Name of Surface Formation:

Permian

2. Estimated Tops of Important Geologic Markers:

Permian	Surface	Seven Rivers	1145'
Salt	475'	Queen	1815'
Base of Salt	780'	Grayburg	2140'
Yates	930'	San Andres	2510'
		Glorietta	4350'

3. Estimated Depths of Anticipated Fresh Water, Oil or Gas:

Upper Permian Sands	100'	Fresh Water
Yates	930'	Oil
Seven Rivers	1145'	Oil
Queen	1815'	Oil
Grayburg	2140'	Oil
San Andres	2510'	Oil
Glorietta	3900'	Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 13 5/8 casing at 425' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD.

4. Casing Program:

<u>Hole Size</u>	<u>Interval</u>	<u>OD csg</u>	<u>Weight, Grade, Jt. Cond. Type</u>			
17 1/2"	0 - 350'	13 3/8"	48#	J-55	LTC New	R-3
12 1/4"	0 - 1250'	8 5/8"	24#	J-55	LTC NEW	R-3
7 7/8"	0 - TD	5 1/2"	17#	J-55	LTC NEW	R-3

DRILLING PROGRAM
PAGE 2

Cement Program:

- 13 3/8" Surface Casing: Cemented to surface with 300 sx of Class C with 2% cc.
8 5/8" Intermediate Casing: Cemented to surface with 600sx of Class C w/2% cc.
5 1/2" Production Casing: Cemented to sufficiently cover 200' above all oil and gas horizons.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (2000 psi wp) preventer. This unit will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. This BOP will be nipped up on the 13 5/8" surface casing and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 1000 psi before drilling out of surface casing.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 2" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 2000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with cut brine. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0 - ^{350'} 425'	Fresh Water (Spud)	8.5	28	N.C.
350'-6000'	Brine	9.8 - 10.2	40 - 45	N.C.

7. Auxiliary Well Control and Monitoring Equipment:

- (A) A kelly cock will be kept in the drill string at all times.
(B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

DRILLING PROGRAM

PAGE 3

8. Logging, Testing, and Coring Program:

- (A) No Drillstem tests are anticipated.
- (B) The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Csng Log, and Depth Control Log.
- (C) No conventional coring is anticipated.
- (D) Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 105° and estimated bottom hole pressure (BHP) is 2218 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. The anticipated spud date is July 1, 2004. Once commenced, the drilling operation should be finished in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing before a decision is made to install permanent facilities.

SURFACE USE AND OPERATING PLAN

**Attached to Form 3160-3
Premier Oil and Gas, Inc.
Gissler A #7
330' FNL and 2310' FW L
Section 15-17S-30E
Eddy County, New Mexico**

1. Existing Roads:

- A. The well site and elevation plat for the proposed well is attached.
- B. All roads to the location are shown in Exhibit #3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- C. Directions to location: From Loco Hills, proceed east on US 82 for 2.2 miles to mile marker 134. Turn north on lease road and proceed 1.0 miles. Access road and location are on the west side of lease road.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. Proposed Access Road:

A new access road of 437' will be necessary. The new road will be constructed as follows:

- A. The maximum width of the running surface will be 10'. The road will be crowned and ditched and constructed of 6" of rolled and compacted caliche. Ditches will be at 3:1 slope and 4 feet wide. Water will be diverted where necessary to avoid ponding, prevent erosion, maintain good drainage, and to be consistent with local drainage patterns. BLM may specify any additions or changes during the onsite inspection.
- B. The average grade will be less than 1%.

SURFACE USE AND OPERATING PLAN

PAGE 2

- C. No turnouts are planned.
- D. No culverts, cattleguard, gates, low-water crossings, or fence cuts are necessary. No new road will be built for this well. Existing roads will be used to access the proposed well.
- E. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- F. The proposed access road as shown in Exhibit #3.

3. Location of Existing Wells:

Exhibit #2 shows all existing wells within a one-half mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

- A. Premier Oil and Gas, Inc. will establish a collection facility for this lease located on the Gissler A #1 well pad.
- B. If the well is productive, a 3" plastic flowline (grade SDR 7 @ 265 psi) will be laid on the surface following the existing lease road or pipeline Right-of-Way to the tank battery as shown in blue on Exhibit #3. Anticipated pressures in the flowline should not exceed 75 psi.
- C. If the well is productive, power will be obtained from Central Valley Electric. Central Valley Electric will apply for ROW for their power lines.
- D. If the well is productive, rehabilitation plans are as follows:
 - (1) The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed).
 - (2) Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

SURFACE USE AND OPERATING PLAN
PAGE 3

5. Location and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing and proposed access roads shown in Exhibit #3. If a commercial fresh water source is nearby, fasline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials:

All caliche required for construction of the drill pad and the proposed new access road (approximately 1500 cubic yards) will be obtained from a BLM - approved caliche pit. All roads and pads will be constructed of 6" of rolled and compacted caliche.

7. Methods of Handling Water Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.
- B. Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 100' X 150' X 6' deep. A dike will be built across the pit, dividing it in half. One-half of the reserve pit will be plastic-lined to minimize loss of drilling fluids and saturation of the ground with brine water. The other half of the reserve pit will be lined with plastic and used only if we encounter a waterflow during drilling operations and find that we need additional space. This portion of the pit is a precautionary measure only. The portion of the pit that will be lined with plastic should be more than adequate for normal drilling operations. If a water flow in encountered, we should have ample time to line the other half of the pit with plastic before the water encroaches.
- C. Water produced from the well during completion may be disposed into the reserve pit.

SURFACE USE AND OPERATING PLAN
PAGE 4

- D. Garbage and trash produced during drilling or completion operations will be hauled off. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.
- E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned-up within 30 days. No adverse materials will be left on location. The reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded, as per BLM Specifications, and a dry hole marker will remain.

8. Ancillary Facilities:

No airstrip, campsite, or other facilities will be built as a result of the operations on this well.

9. Well Site Layout:

- A. The drill pad layout, is shown in Exhibit #4. Dimensions of the pad and pits are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.
- B. The reserve pit will be lined with a high-quality plastic sheeting.

10. Plans for Restoration of the Surface:

- A. Upon finishing drilling and/or completion operations, all equipment and other material not needed for operations will be removed. All trash, garbage, and pit lining will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be

filled and the location leveled within 10 months after abandonment.

SURFACE USE AND OPERATING PLAN

PAGE 5

- B. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side. The fencing will remain in place until the pit area is cleaned-up and leveled. No oil will be left on the surface of the fluid in the pit.
- C. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. Any additional caliche required for facilities will be obtained from a BLM - approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area to the original natural level and reseeded as per BLM specifications.

11. Surface Ownership:

The wellsite and lease is located on Federal Surface.

- A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.
- B. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

12. Lessee's and Operator's Representative:

The Premier Oil and Gas, Inc. representative responsible for assuring compliance with the surface use plan is as follows:

Rosalie Jones
Premier Oil and Gas, Inc.
Post Office Box 1246
Artesia, New Mexico 88211
Phone: 505/748-2093 (office)

Certification:

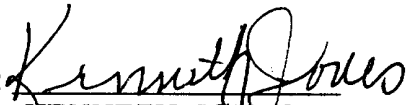
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with

the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associate

SURFACE USE AND OPERATING PLAN
PAGE 6

with the operations proposed herein will be performed by Premier Oil & Gas Inc. and its contractors and subcontractors in conformity with this plan and the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 04/23/04

Signed: 
KENNETH JONES
VICE PRESIDENT

Premier Oil & Gas Inc.

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a

known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment:
 - A. Flare line.
 - B. Choke manifold.
 - C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
 - D. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.
2. Protective equipment for essential personnel:
 - A. Mark II Surviveair 30-minute units located in the dog house and at briefing areas.
3. H₂S detection and monitoring equipment:
 - A. 2 - portable H₂S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
 - B. 1 - portable SO₂ monitor positioned near

flare line.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud Program:

- A. The mud program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers will minimize hazards when penetrating H₂S bearing zones.
- B. A mud-gas separator will be utilized.

6. Communication:

- A. Radio communications in company vehicles including cellular telephone and 2-way radio.
- B. Land line (telephone) communications at field office.

W A R N I N G

**YOU ARE ENTERING AN H₂S AREA
AUTHORIZED PERSONNEL ONLY**

- 1. BEARDS OR CONTACT LENSES NOT ALLOWED**
- 2. HARD HATS REQUIRED**
- 3. SMOKING IN DESIGNATED AREAS ONLY**
- 4. BE WIND CONSCIOUS AT ALL TIMES**
- 5. CK WITH PREMIER FOREMAN AT MAIN OFFICE**

PREMIER OIL & GAS INC.

1-505-748-2093

BOPE SCHEMATIC

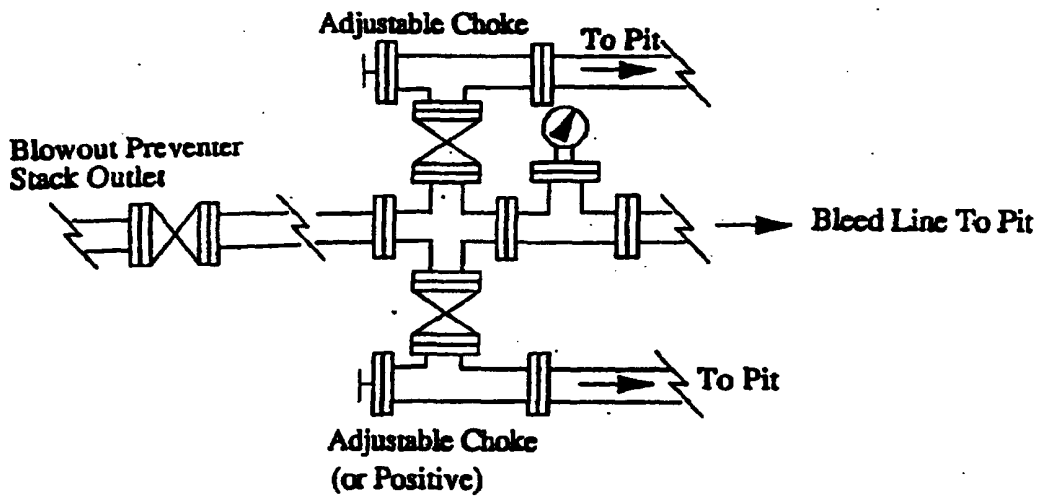
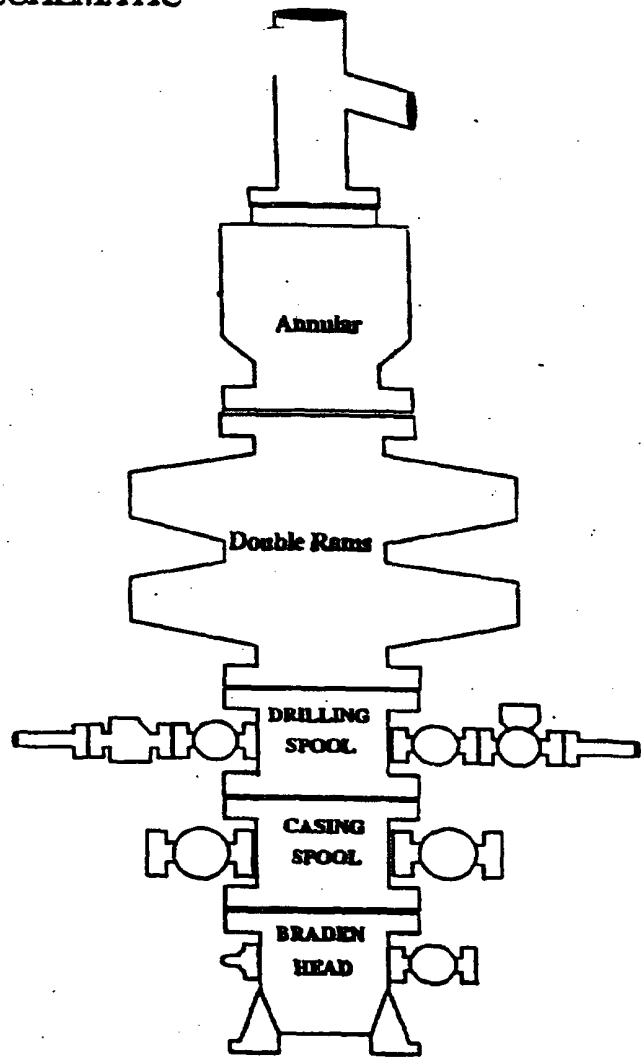
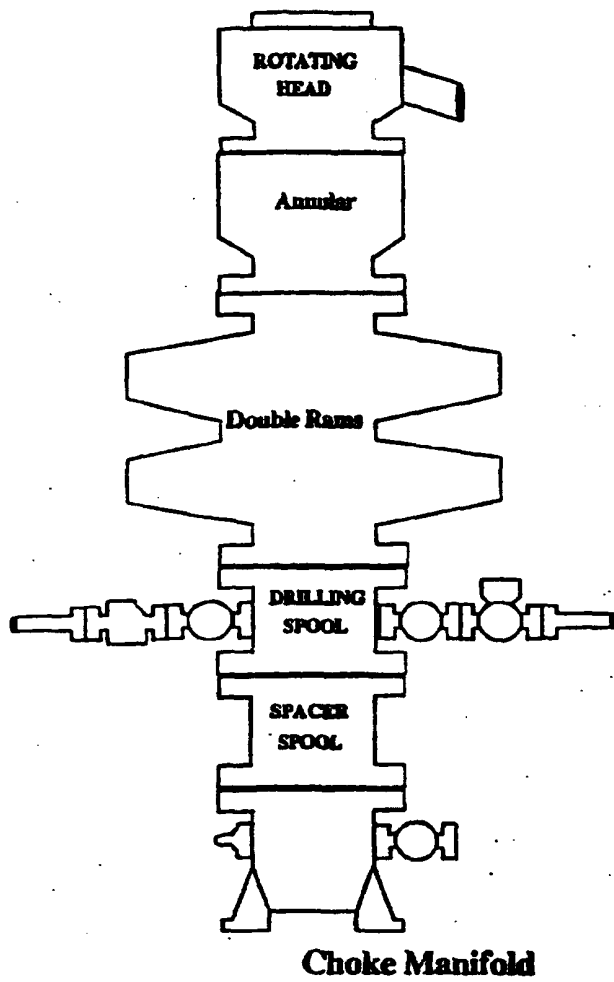


Exhibit One

Jun-05-02 09:03am From: MARBOB

15057462523

T-884 P.02/03 F-780

Form 3160-3
(Rev. 11/99)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUBMIT IN TRIPLICATE - Other instructions on reverse side

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

2. Name of Operator
PREMIER OIL & GAS, INC.

3a. Address
PO BOX 1246, ARTESIA, NM 88211-1246

3b. Phone No. (include area code)
(505) 748-2093

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

T17S-R90E

5. Lease Serial No.

6. If Indian, Allottee or Tribe Name

7. If Unit or C/A Agreement, Name and/or No.

8. Well Name and No.

9. API Well No.

10. Field and Pool, or Exploratory Area

11. County or Parish, State

EDDY CO. NM

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Change Plans
	<input type="checkbox"/> Convert to Injection
	<input type="checkbox"/> Deepen
	<input type="checkbox"/> Fracture Treat
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plug and Abandon
	<input type="checkbox"/> Plug Back
	<input type="checkbox"/> Production (Start/Resume)
	<input type="checkbox"/> Reclamation
	<input type="checkbox"/> Recombine
	<input type="checkbox"/> Temporarily Abandon
	<input type="checkbox"/> Water Disposal
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Well Integrity
	<input checked="" type="checkbox"/> Other TEST BOPS

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleteness horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and so forth. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed when testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator determined that the site is ready for final inspection.)

DUE TO THE LOW BOTTOM HOLE PRESSURE OF FORMATIONS ABOVE 6000', IN THIS AREA WE ARE REQUESTING BLANKET APPROVAL TO NIPPLE UP WITH A DOUBLE RAM PREVENTER AND 2M CHOKE MANIFOLD. TESTED WITH RIG PUMPS TO 1000#.

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

DIANA J. CANNON

Title **AGENT**

Signature

Date **JUNE 5, 2002**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title **P.E.**

Date **6/5/02**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

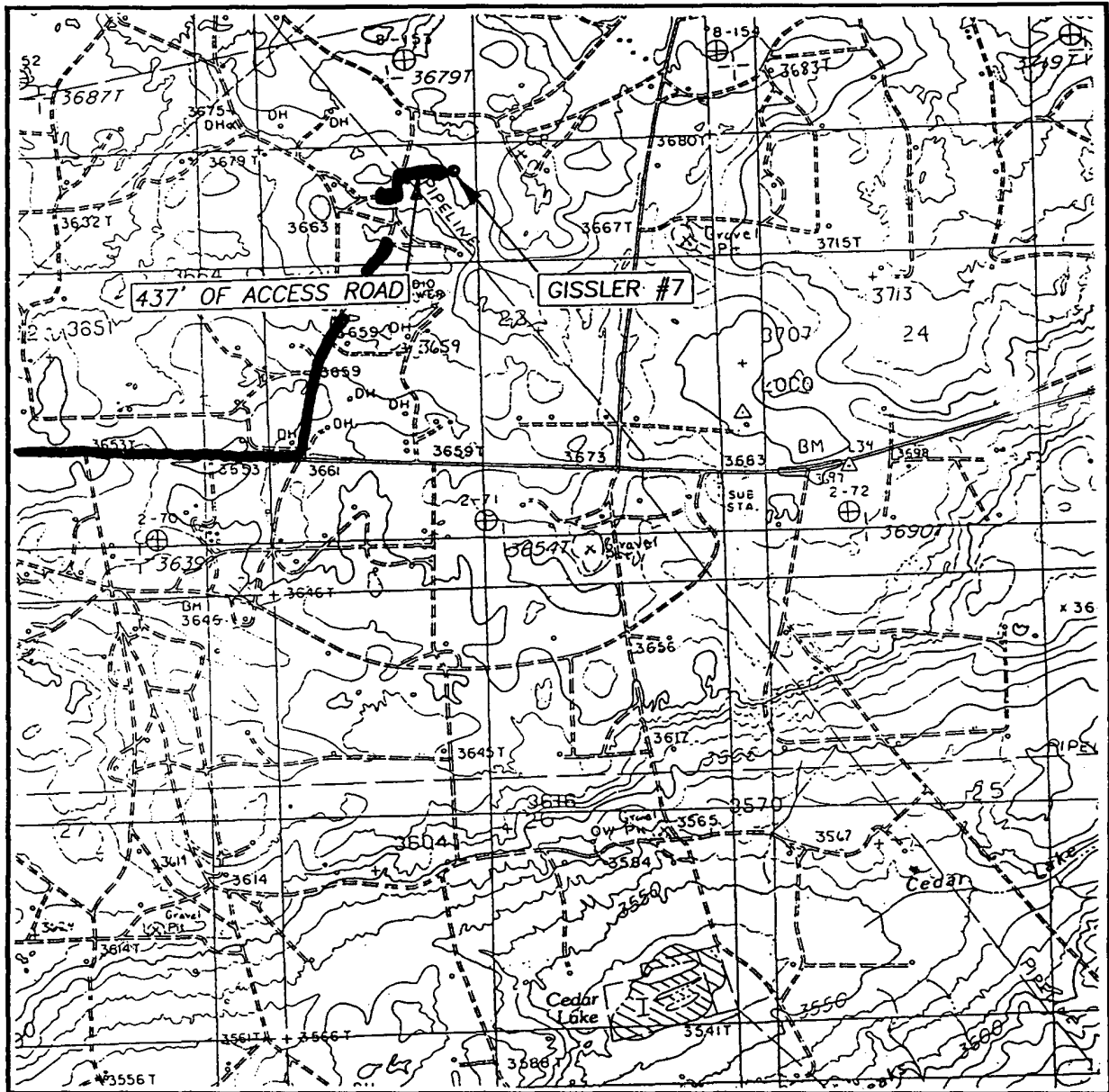
Office **RFO**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make in any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

EXHIBIT 2

ASHER ENT. LTD

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL: 10'

LOCO HILLS, N.M.

SEC. 23 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 330' FNL & 2310' FWL

ELEVATION 3685'

OPERATOR PREMIER OIL & GAS, INC.

LEASE GISSLER

U.S.G.S. TOPOGRAPHIC MAP

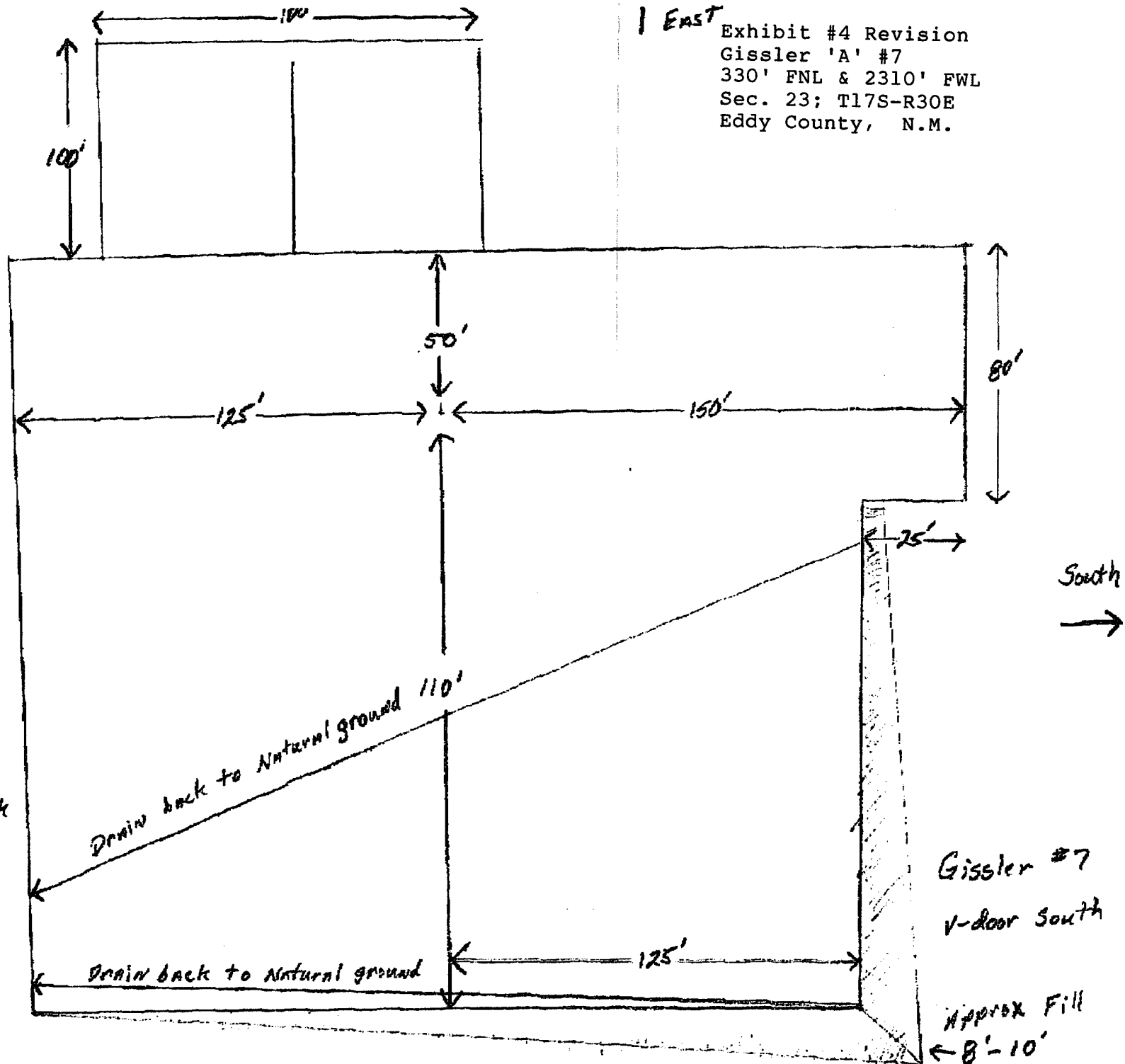
LOCO. HILLS, N.M.

EXHIBIT #3

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505) 393-3117

1 EAST

Exhibit #4 Revision
Gissler 'A' #7
330' FNL & 2310' FWL
Sec. 23; T17S-R30E
Eddy County, N.M.



will drain
Location Back
to Natural
ground to
Prevent
Erosion

Gissler #7
V-door South

Approx Fill
8'-10'

P REMIER OIL AND GAS, INC.

August 30, 2004

Oil Conservation Division
Attention: Mr. Bryan Arrant
1301 W. Grand
Artesia, NM 88210

Re: Gissler A #6, #7, #8; Fed. Lease No. NMLC056616B
Section 23, T17S, R30E, Eddy County, NM

Dear Bryan:

Premier Oil & Gas is requesting to not have an H2S contingency plan for the above named wells. As pursuant to OCD's H2S radius of exposure guidelines, "for a well being drilled, completed, recompleted, worked over or serviced in an area ... a 100-ppm radius of exposure equal to 3000' shall be assumed." Furthermore, Premier's four Parke C Lease wells, which border the Gissler lease, are currently averaging 90,000 cubic feet/day with an H2S concentration of .01 mole, which would produce a 100 ppm radius of 1430.1' or roughly a ¼ mile radius.

100ppm radius of exposure = [(1.589)(hydrogen sulfide concentration)(escape rate in CU/ft)]

Gissler's well exposure = (1.589)(.01)(90000) = 1430.1 ft.

The nearest public area including dwelling, office, place of business, church, school, hospital or government building, or any portion of a park, city, town, village or designated school bus stop is over 1.5 miles away.

The nearest public road or highway is over ½ mile away. Hence, an H2S contingency plan is not required to protect public safety.

Premier Oil & Gas, as stated in our BLM application and per OCD's rules, will have all necessary H2S monitoring and safety equipment to protect the safety of our workers and potential contract workers on the drilling sites.

Sincerely,



Rosalie Jones