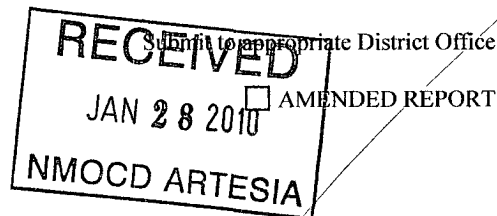


District I  
1625 N. French Dr., Hobbs, NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 88210  
District III  
1000 Rio Brazos Road, Aztec, NM 87410  
District IV  
1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy Minerals and Natural Resources

Form C-101  
June 16, 2008

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



**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN,  
PLUGBACK, OR ADD A ZONE**

<sup>1</sup> Operator Name and Address Premier Oil & Gas Inc. P.O.Box 1246 Artesia, NM 88211		<sup>2</sup> OGRID Number 17985
		<sup>3</sup> API Number 30 - 015-00219
<sup>3</sup> Property Code 37926	<sup>5</sup> Property Name Western Lee	<sup>6</sup> Well No. #2
<sup>9</sup> Proposed Pool 1 Atoka, San Andres		<sup>10</sup> Proposed Pool 2

**7 Surface Location**

UL or lot no	Section 22	Township 18S	Range 26E	Lot ldn E	Feet from the 1650'	North line N	Feet from the 990'	West line W	County Eddy
--------------	---------------	-----------------	--------------	--------------	------------------------	-----------------	-----------------------	----------------	----------------

**8 Proposed Bottom Hole Location If Different From Surface**

UL or lot no	Section	Township	Range	Lot ldn	Feet from the	North/South line	Feet from the	East/West line	County
--------------	---------	----------	-------	---------	---------------	------------------	---------------	----------------	--------

**Additional Well Information**

<sup>11</sup> Work Type Code P	<sup>12</sup> Well Type Code O	<sup>13</sup> Cable/Rotary	<sup>14</sup> Lease Type Code P	<sup>15</sup> Ground Level Elevation 3346.3
<sup>16</sup> Multiple N	<sup>17</sup> Proposed Depth	<sup>18</sup> Formation	<sup>19</sup> Contractor	<sup>20</sup> Spud Date

**21 Proposed Casing and Cement Program**

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
11"	8 5/8"	24#	1279'		Circulated
7 7/8"	4 1/2"	9.5-11.6#	9380'		6600'

<sup>22</sup> Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Premier Oil & Gas Inc. wishes to change the name of the Lee 'C' Unit to the Western Lee #2. Currently, Premier operates the Western Lee #1 (San Andres completion) on the same dedicated 40 acres as the Lee C. We are proposing a San Andres completion which will be commingled into the same battery as the Western Lee #1. Thus the reason for changing the name of the Lee C Unit.

Premier has attached a well bore diagram and a proposed completion procedure for this well. The procedure will include a 'suicide squeeze' and a completion into the San Andres Slaughter zone. Work should begin on this well in mid-February, 2010.

<sup>23</sup> I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

*Kenneth C. Jones*

Printed name: Kenneth C. Jones

Title: VP

E-mail Address: ken.jones@premieroilgas.com

Date: 1/18/2010

Phone: 214-543-3688

**OIL CONSERVATION DIVISION**

Approved by:

*Jacqui Boen*  
Geologist

Title:

Approval Date:

2/16/10

Expiration Date.

Conditions of Approval Attached ☐

**District I**  
1625 N. French Dr., Hobbs, NM 88240  
**District II**  
1301 W. Grand Avenue, 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 & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87505

Form C-102  
Revised October 15, 2009  
Submit one copy to appropriate  
District Office  
☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number 30-015-00219		<sup>2</sup> Pool Code 03610		<sup>3</sup> Pool Name Atoka San Andres ✓	
<sup>4</sup> Property Code 009381		<sup>5</sup> Property Name Western Lee #2			<sup>6</sup> Well Number #2
<sup>7</sup> OGRID No. 17985		<sup>8</sup> Operator Name Premier Oil & Gas Inc.			<sup>9</sup> Elevation 3346.3 GL

<sup>10</sup> Surface Location

UL or lot no. E	Section 22	Township 18S	Range 22E	Lot Idn	Feet from the 1650'	North line North	Feet from the 990'	West line West	County Eddy
--------------------	---------------	-----------------	--------------	---------	------------------------	---------------------	-----------------------	-------------------	----------------

<sup>11</sup> 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
<sup>12</sup> Dedicated Acres		<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code		<sup>15</sup> 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.

<p><sup>16</sup></p>	<p><sup>17</sup> <b>OPERATOR CERTIFICATION</b> I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p> <p>Signature: <i>Kenneth C. Jones</i> Date: <i>2/10/10</i></p> <p>Kenneth C. Jones Printed Name</p>			
	<p><sup>18</sup> <b>SURVEYOR CERTIFICATION</b> 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.</p> <p>1-26-61 Date of Survey Signature and Seal of Professional Surveyor:  John W. West Certificate Number</p>			

## Wellbore Diagram

API: 30-015-00219

LEE C UNIT #1

Company Name: Premier Oil & Gas Inc.

Location: E-22-18.0S-26E, 1650 FNL, 990 FWL Lat: 32.7360815157 Long: -104.375112004

County: Eddy

Elevation: 3346' KB: 3362'

### String Information:

Tubing Size: 2-3/8" Depth Set: ~2,000'

8-5/8" Casing: 1276'

### Casing Information:

Hole Size: 11" Casing Size: 8-5/8" (24# J-55)

Setting Depth: 1276'

Cement: 1486'

Hole Size: 7-7/8" Casing Size: 4-1/2" (9.5# J-55 & 11.6# N-80) Setting Depth: 9,380'

Tubing: 2,000'

Squeezed: 2150'

### Perforation Information:

CIBP: 4325' + 35' cement

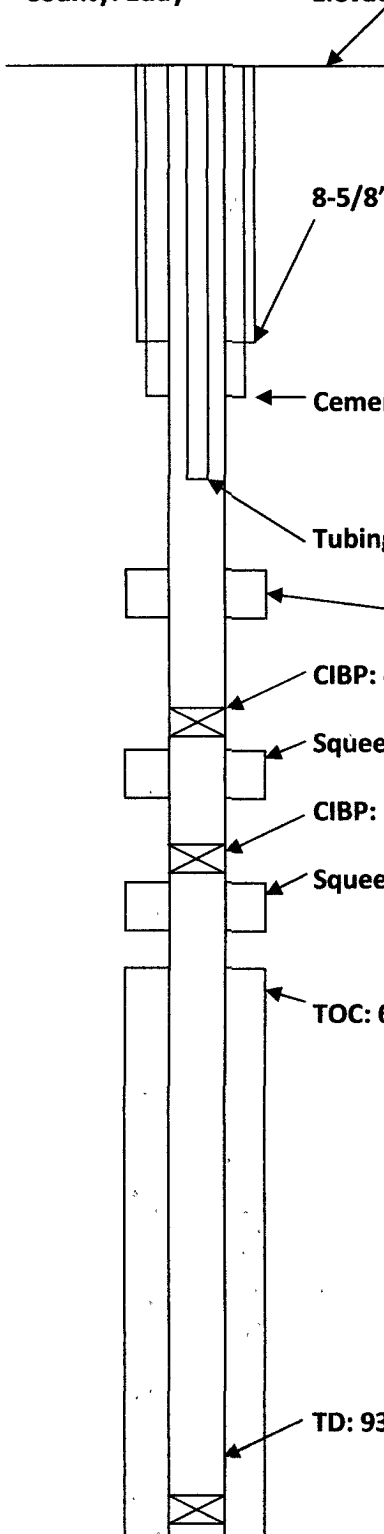
Squeezed: 4350'

CIBP: 5925' + 35' cement

Squeezed: 5950'

TOC: 6,630'

TD: 9380', PBTD: 9300'



## Western Lee #2 (formerly Lee 'C' Unit) Workover Procedure

1. Perf 4 holes @ 2150' and squeeze 50 sks of Class C cement.
2. Perf 4 holes @ 2100' and 4 holes @ 1500' (below cement squeeze @ 1486' from bond log). Set packer on 2 3/8" tubing @ 2050' and establish circulation. Clean formation from 1500-2050' w/mud wash.
3. TIH w/cement retainer @ 2050'. Pump 214 sks of Class C cement with additives to cover pipe from 1500-2050'. Sting out of retainer and SD for 48 hours.
4. TIH with bit and clean out 4 1/2" casing to 2050'. Run a CBL and cased hole porosity logs from 2050'-surface.
5. Perforate Slaughter Zone from 1620'- 1690', acidize and fracture stimulate.
6. Place well on production into existing Western Lee tank battery.