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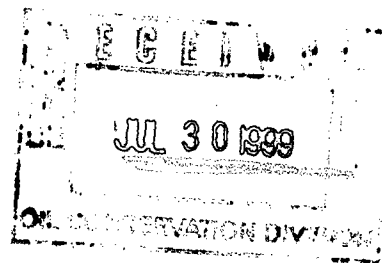
8/19/99

# P REMIER OIL AND GAS, INC.

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July 29, 1999

New Mexico Energy, Minerals &  
Natural Resources Department  
Oil Conservation Division  
2040 South Pacheco  
Santa Fe, New Mexico 87505



Attn: Mike Stogner

RE: Application for Administrative Approval  
of Unorthodox Location / Dale H. Parke "A" Tract 1 #22  
205' FNL and 1650' FEL Section 22-17S-30E  
Eddy County, New Mexico

Dear Mr. Stogner:

Premier Oil and Gas Incorporated hereby makes Application pursuant to Oil Conservation Division Rule 104.F for Administrative approval to drill the above referenced Dale H. Parke "A" Tract 1 No. 22. Premier proposes to drill the Dale H. Parke "A" Tract 1 No. 22 to an approximate depth of 5100'. If successful, the proposed well would be completed in the Loco Hills Paddock Pool.

The orthodox location of 330' FNL and 1650' FEL placed the well pad directly over Yates Petroleum's fresh water pipeline. The water line that we are attempting to avoid lays along a northeast to southwest direction, any move besides north would require a larger move as well as impact previously drilled new wells or proposed wells. Premier Oil and Gas prefers to move north the minimum distance needed to safely construct and drill the Dale H. Parke "A" Tract 1 No. 22. This move

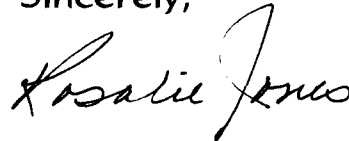
resulted in the unorthodox location of 205' FNL and 1650' FEL. Therefore, requiring this Application for Administrative Approval of Unorthodox Location.

Attached to this application, please find a Form C-102 showing the footage and the proration unit of the proposed well. Also, attached are plats showing the offset interest owners of the producing interval and the layout of the proposed location.

We affirm that notice has been sent to the offset operators or lease owners. A list of which is enclosed for your review. Premier Oil and Gas Incorporated respectfully requests you consider approval of this unorthodox location. Please do not hesitate to contact me at (505)748-2093 should you have any questions or require additional information.

Thank you for your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosalie Jones". The signature is fluid and cursive, with the first name "Rosalie" written in a larger, more prominent script than the last name "Jones".

Rosalie Jones  
President

RJ/mm  
Enclosures

## List of Offset Operators and Interest Owners

Mack Energy Corporation  
Post Office Box 276  
Artesia, New Mexico 88211

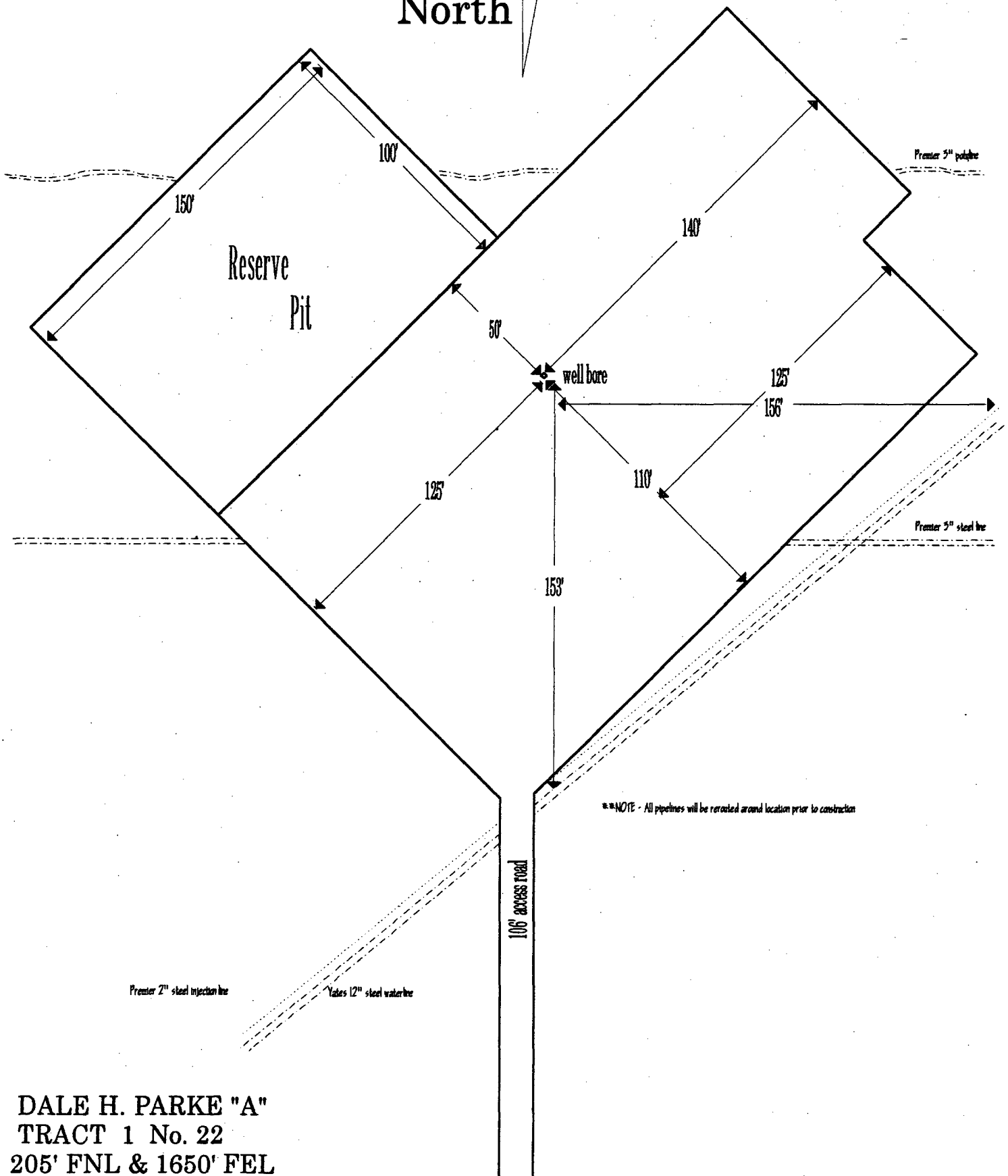
Arco Permian  
Post Office Box 1610  
Midland, Texas 79702

Bureau of Land Management  
2909 West 2<sup>nd</sup> Street  
Roswell, New Mexico 88201

Phillips Petroleum Co.  
4001 Penbrook  
Odessa, Texas 79762

Marbob Energy Corporation  
Post Office Box 227  
Artesia, New Mexico 88211-0227

North



DALE H. PARKE "A"  
TRACT 1 No. 22  
205' FNL & 1650' FEL  
Section 22; T17S - R30E  
Eddy County, New Mexico

DISTRICT I  
P.O. Box 1989, Hobbs, NM 88241-1989

DISTRICT II  
P.O. Drawer 89, Artesia, NM 88211-0719

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

DISTRICT IV  
P.O. Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals and Natural Resources Department

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96718	Pool Name LOCO HILLS PADDOCK
Property Code	Property Name DALE H. PARKE "A" TR. 1	Well Number 22
OGRIID No. 17985	Operator Name PREMIER OIL & GAS INC.	Elevation 3686

Surface Location

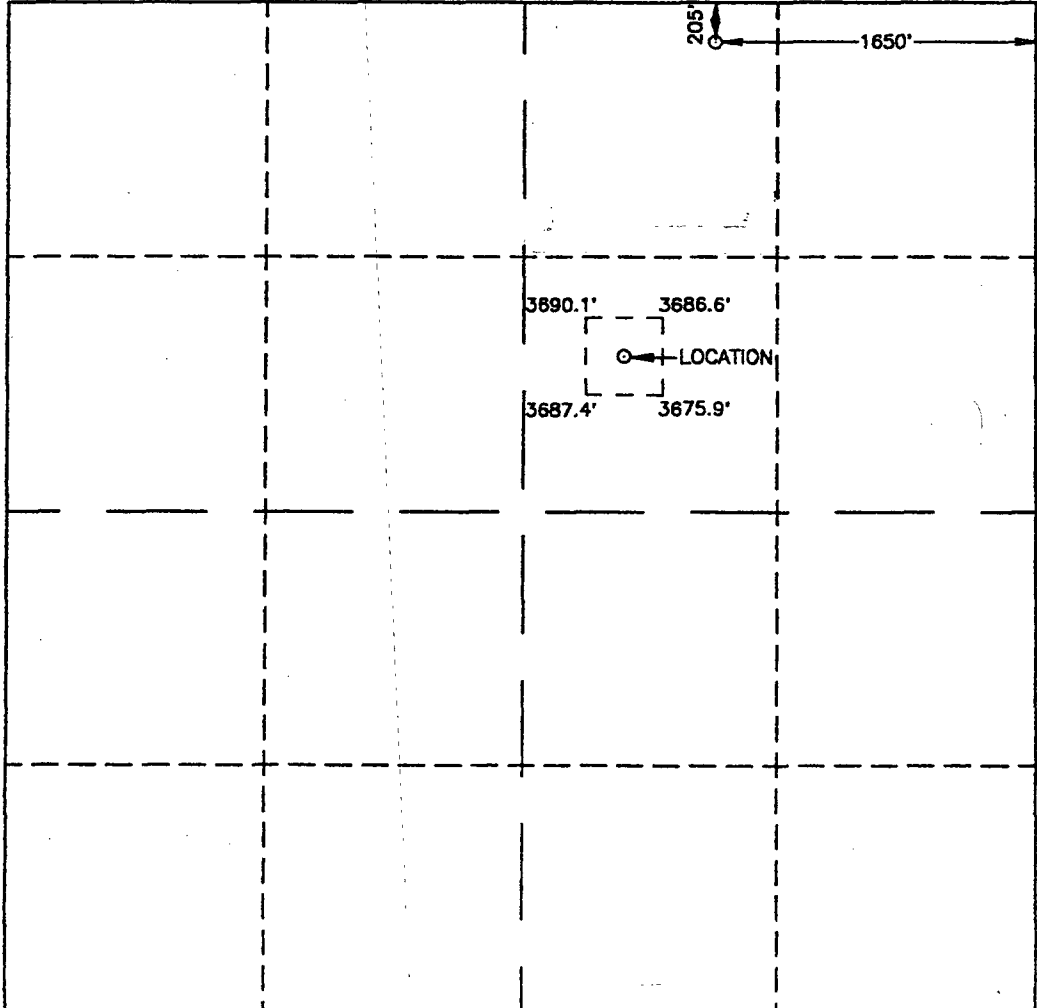
UL or lot No. B	Section 22	Township 17 S	Range 30 E	Lot Idn	Feet from the 205	North/South line NORTH	Feet from the 1650	East/West line EAST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Rosalie Jones</i> Signature ROSALIE JONES Printed Name PRESIDENT Title 7/29/99 Date</p> <p><b>SURVEYOR CERTIFICATION</b></p> <p>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>JULY 26, 1999 Date Surveyed</p> <p><i>Ronald S. Eidson</i> Signature &amp; Seal Professional Surveyor NEW MEXICO 7-27-99 P.W.O. Num. 99-10603</p> <p>Certificate No. RONALD S. EIDSON, 3239 CARY G. EIDSON, 12641 MELDON McDONALD, 12185</p>
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Premier Oil &amp; Gas, Inc.