

District I
1625 N. French Dr., Hobbs, NM 88240
Phone: (575) 393-6161 Fax: (575) 393-0720

District II
811 S. First St., Artesia, NM 88210
Phone: (575) 748-1283 Fax: (575) 748-9720

District III
1000 Rio Brazos Road, Aztec, NM 87410
Phone: (505) 334-6178 Fax: (505) 334-6170

District IV
1220 S. St. Francis Dr., Santa Fe, NM 87505
Phone: (505) 476-3460 Fax: (505) 476-3462

State of New Mexico

Form C-101
Revised July 18, 2013

Energy Minerals and Natural Resources

Oil Conservation Division

☒ AMENDED REPORT

1220 South St. Francis Dr.

Santa Fe, NM 87505

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

¹ Operator Name and Address Premier Oil & Gas, Inc. 901 Waterfall Way Suite 201 Richardson, TX 75080		² OGRID Number 017985
		³ API Number 30-015-33017
⁴ Property Code 326019	⁵ Property Name Eddy GE State COM	⁶ Well No. 3

7. Surface Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County
M	23	20S	27E		660	South	660	East	Eddy

8. Proposed Bottom Hole Location

UL - Lot	Section	Township	Range	Lot Idn	Feet from	N/S Line	Feet From	E/W Line	County

9. Pool Information

Pool Name SALADAR; UPPER PENN (GAS)	Pool Code 84413
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Additional Well Information

¹¹ Work Type A	¹² Well Type G	¹³ Cable/Rotary N/A	¹⁴ Lease Type S	¹⁵ Ground Level Elevation 3297'
¹⁶ Multiple	¹⁷ Proposed Depth 11,235'	¹⁸ Formation Morrow	¹⁹ Contractor N/A	²⁰ Spud Date 11/4/2003
Depth to Ground water 2200'	Distance from nearest fresh water well		Distance to nearest surface water	

☐ We will be using a closed-loop system in lieu of lined pits

21. Proposed Casing and Cement Program

Type	Hole Size	Casing Size	Casing Weight/ft	Setting Depth	Sacks of Cement	Estimated TOC
H40	17-1/2	13-3/8	48#	515'	610	surface
J55	12-1/4	8-5/8	32#	2215'	1078	surface
P110	8-3/4	5-1/2	17#	11,235'	725	7980' log

Casing/Cement Program: Additional Comments

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22. Proposed Blowout Prevention Program

Type	Working Pressure	Test Pressure	Manufacturer

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

I further certify that I have complied with 19.15.14.9 (A) NMAC ☐ and/or 19.15.14.9 (B) NMAC ☐, if applicable.

Signature: *Daniel Jones*

Printed name: Daniel Jones

Title: Vice President

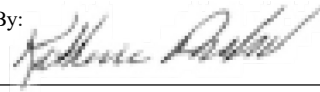
E-mail Address: dan.jones@premieroilgas.com

Date: 1/31/2023

Phone: 972-470-0228

OIL CONSERVATION DIVISION

Approved By:



Title: **Petroleum Specialist**

Approved Date: **2/1/2023**

Expiration Date:

Conditions of Approval Attached

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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 August 1, 2011
Submit one copy to appropriate
District Office
☒ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

¹ API Number 30-015-33017	² Pool Code 84413	³ Pool Name SALADAR; UPPER PENN (GAS)
⁴ Property Code 326019	⁵ Property Name Eddy GE State COM	
⁷ OGRID No. 17985	⁸ Operator Name Premier Oil & Gas, Inc.	⁶ Well Number 3
		⁹ Elevation 3297

¹⁰ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	23	20S	27E		660	South	660	West	Eddy

¹¹ 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
¹² Dedicated Acres 320	¹³ Joint or Infill		¹⁴ Consolidation Code		¹⁵ 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.

16				<p>17 OPERATOR CERTIFICATION</p> <p><i>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.</i></p> <p><u>Daniel Jones</u> 1/31/2023</p> <p>Signature Date</p> <p><u>Daniel Jones</u></p> <p>Printed Name</p> <p><u>dan.jones@premieroilgas.com</u></p> <p>E-mail Address</p>
				<p>18 SURVEYOR CERTIFICATION</p> <p><i>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.</i></p> <p>08/19/2003</p> <p>Date of Survey</p> <p>Signature and Seal of Professional Surveyor:</p> <p>(see previous C102 for signature and seal)</p> <p>Ronald J. Eidson 3239</p> <p>Gary Eidson 12641</p>

State of New Mexico
Energy, Minerals and Natural Resources Department

Submit Electronically
Via E-permitting

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

NATURAL GAS MANAGEMENT PLAN

This Natural Gas Management Plan must be submitted with each Application for Permit to Drill (APD) for a new or recompleted well.

Section 1 – Plan Description

Effective May 25, 2021

I. Operator: Premier Oil & Gas, Inc. **OGRID:** 017985 **Date:** 1 / 9 / 2023

II. Type: ☒ Original ☐ Amendment due to ☐ 19.15.27.9.D(6)(a) NMAC ☐ 19.15.27.9.D(6)(b) NMAC ☐ Other.

If Other, please describe: _____

III. Well(s): Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	ULSTR	Footages	Anticipated Oil BBL/D	Anticipated Gas MCF/D	Anticipated Produced Water BBL/D
Eddy GE State COM #3	30-015-33017	M-23-20S-27E	660 FSL & 6600 FWL	10	800	0

IV. Central Delivery Point Name: Eddy GE STATE COM [See 19.15.27.9(D)(1) NMAC]

V. Anticipated Schedule: Provide the following information for each new or recompleted well or set of wells proposed to be drilled or proposed to be recompleted from a single well pad or connected to a central delivery point.

Well Name	API	Spud Date	TD Reached Date	Completion Commencement Date	Initial Flow Back Date	First Production Date
Eddy GE State COM #3	30-015-33017	11/4/2003	12/15/2003	2/23/2023	TBD: 3/1/2023	TBD: 3/1/2023

VI. Separation Equipment: ☒ Attach a complete description of how Operator will size separation equipment to optimize gas capture.

VII. Operational Practices: ☒ Attach a complete description of the actions Operator will take to comply with the requirements of Subsection A through F of 19.15.27.8 NMAC.

VIII. Best Management Practices: ☒ Attach a complete description of Operator's best management practices to minimize venting during active and planned maintenance.

Section 2 – Enhanced Plan

EFFECTIVE APRIL 1, 2022

Beginning April 1, 2022, an operator that is not in compliance with its statewide natural gas capture requirement for the applicable reporting area must complete this section.

☒ Operator certifies that it is not required to complete this section because Operator is in compliance with its statewide natural gas capture requirement for the applicable reporting area.

IX. Anticipated Natural Gas Production:

Well	API	Anticipated Average Natural Gas Rate MCF/D	Anticipated Volume of Natural Gas for the First Year MCF

X. Natural Gas Gathering System (NGGS):

Operator	System	ULSTR of Tie-in	Anticipated Gathering Start Date	Available Maximum Daily Capacity of System Segment Tie-in

XI. Map. ☐ Attach an accurate and legible map depicting the location of the well(s), the anticipated pipeline route(s) connecting the production operations to the existing or planned interconnect of the natural gas gathering system(s), and the maximum daily capacity of the segment or portion of the natural gas gathering system(s) to which the well(s) will be connected.

XII. Line Capacity. The natural gas gathering system ☐ will ☐ will not have capacity to gather 100% of the anticipated natural gas production volume from the well prior to the date of first production.

XIII. Line Pressure. Operator ☐ does ☐ does not anticipate that its existing well(s) connected to the same segment, or portion, of the natural gas gathering system(s) described above will continue to meet anticipated increases in line pressure caused by the new well(s).

☐ Attach Operator's plan to manage production in response to the increased line pressure.

XIV. Confidentiality: ☐ Operator asserts confidentiality pursuant to Section 71-2-8 NMSA 1978 for the information provided in Section 2 as provided in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and attaches a full description of the specific information for which confidentiality is asserted and the basis for such assertion.

Section 3 - Certifications

Effective May 25, 2021

Operator certifies that, after reasonable inquiry and based on the available information at the time of submittal:

☒ Operator will be able to connect the well(s) to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system; or

☐ Operator will not be able to connect to a natural gas gathering system in the general area with sufficient capacity to transport one hundred percent of the anticipated volume of natural gas produced from the well(s) commencing on the date of first production, taking into account the current and anticipated volumes of produced natural gas from other wells connected to the pipeline gathering system.

If Operator checks this box, Operator will select one of the following:

Well Shut-In. ☐ Operator will shut-in and not produce the well until it submits the certification required by Paragraph (4) of Subsection D of 19.15.27.9 NMAC; or

Venting and Flaring Plan. ☐ Operator has attached a venting and flaring plan that evaluates and selects one or more of the potential alternative beneficial uses for the natural gas until a natural gas gathering system is available, including:

- (a) power generation on lease;
- (b) power generation for grid;
- (c) compression on lease;
- (d) liquids removal on lease;
- (e) reinjection for underground storage;
- (f) reinjection for temporary storage;
- (g) reinjection for enhanced oil recovery;
- (h) fuel cell production; and
- (i) other alternative beneficial uses approved by the division.

Section 4 - Notices

1. If, at any time after Operator submits this Natural Gas Management Plan and before the well is spud:

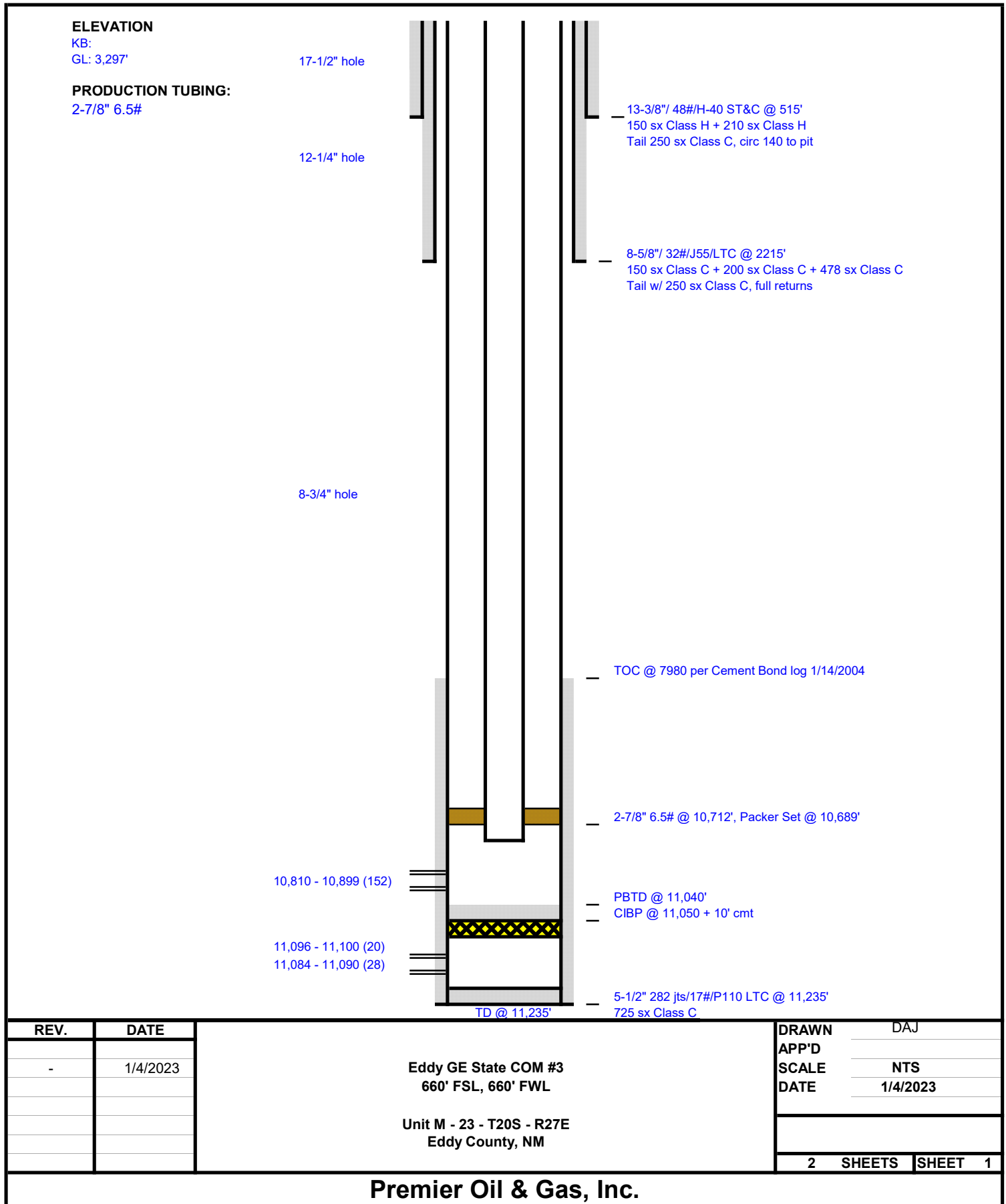
(a) Operator becomes aware that the natural gas gathering system it planned to connect the well(s) to has become unavailable or will not have capacity to transport one hundred percent of the production from the well(s), no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised venting and flaring plan containing the information specified in Paragraph (5) of Subsection D of 19.15.27.9 NMAC; or

(b) Operator becomes aware that it has, cumulatively for the year, become out of compliance with its baseline natural gas capture rate or natural gas capture requirement, no later than 20 days after becoming aware of such information, Operator shall submit for OCD's approval a new or revised Natural Gas Management Plan for each well it plans to spud during the next 90 days containing the information specified in Paragraph (2) of Subsection D of 19.15.27.9 NMAC, and shall file an update for each Natural Gas Management Plan until Operator is back in compliance with its baseline natural gas capture rate or natural gas capture requirement.

2. OCD may deny or conditionally approve an APD if Operator does not make a certification, fails to submit an adequate venting and flaring plan which includes alternative beneficial uses for the anticipated volume of natural gas produced, or if OCD determines that Operator will not have adequate natural gas takeaway capacity at the time a well will be spud.

I certify that, after reasonable inquiry, the statements in and attached to this Natural Gas Management Plan are true and correct to the best of my knowledge and acknowledge that a false statement may be subject to civil and criminal penalties under the Oil and Gas Act.

Signature: <i>Daniel Jones</i>
Printed Name: Daniel Jones
Title: Vice President
E-mail Address: dan.jones@premieroilgas.com
Date: 1/9/2023
Phone: (972) 470-0228
OIL CONSERVATION DIVISION (Only applicable when submitted as a standalone form)
Approved By:
Title:
Approval Date:
Conditions of Approval:



**Eddy GE State COM #3
Work Plan
660' FSL, 660' FWL
M-23-20S-27E
Eddy Co., N0M
30-015-33017**

Well Data:

13-3/8" @ 515', TOC @ surface

8-5/8" @ 2215', TOC @ surface

5-1/2" @ 11,235', TOC @ 7980'

5-1/2"/17ppf/P110/LTC

Burst=10,640 psi, 8,512 psi at 80% Nom ID=4.892" Drift ID=4.767"

2-7/8"/6.5ppf/J55/EUE

Burst=7260 psi, 5808 psi at 80% Nom ID=2.441" Drift ID=2.347"

Collapse=7680 psi, 6144 psi at 80%

Tensile=99660 lb with no safety factor

PBTD: 11,040'

New Perfs:**[84413] SALADAR; UPPER PENN (GAS):** 9,444 – 9,612

Objective: Temporarily abandon the Morrow to come up the hole to produce the Upper Penn. Wireline in retrievable bridge plug @ 10,760' + 15' sand on top of plug. Perforate and complete Upper Penn from 9,444 – 9,612. See wellbore diagrams for intent. Since this is not a deepening or new drill a closed loop system will not be needed. A hydraulic BOP unit rated at 5000 psi will be used to handle any uncontrolled release of oil & gas. See Natural Gas Management Plan for mitigating natural gas emissions and losses. Gas will be gathered, metered, and sold through the Eddy GE State COM #3 sales line to DCP Midstream.

Formation Tops:

Delaware	2375
Bone	
Spring	4480
Wolfcamp	8596
Cisco	9382
Strawn	9826
Atoka	10,162
Morrow	10,737

ELEVATION

KB:

GL: 3,297'

PRODUCTION TUBING:

2-7/8" 6.5#

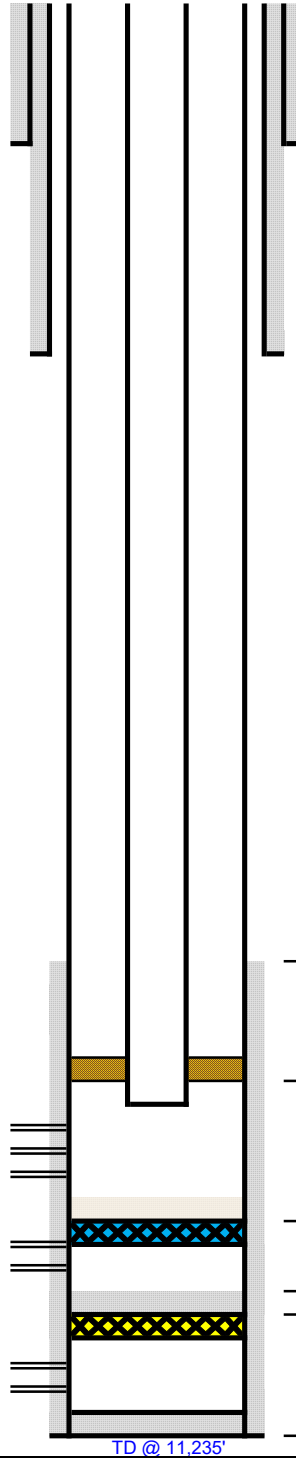
17-1/2" hole

12-1/4" hole

8-3/4" hole

9,444 - 9,612 (TBD)

10,810 - 10,899 (152)

11,096 - 11,100 (20)
11,084 - 11,090 (28)13-3/8" / 48# / H-40 ST&C @ 515'
150 sx Class H + 210 sx Class H
Tail 250 sx Class C, circ 140 to pit8-5/8" / 32# / J55 / LTC @ 2215'
150 sx Class C + 200 sx Class C + 478 sx Class C
Tail w/ 250 sx Class C, full returns

TOC @ 7980 per Cement Bond log 1/14/2004

2-7/8" 6.5# @ ~9,346', Packer Set @ ~9,323' (TBD)

RBP @ 10,760' + 15' sand

PBTD @ 11,040'
CIBP @ 11,050 + 10' cmt5-1/2" 282 jts / 17# / P110 LTC @ 11,235'
725 sx Class C

TD @ 11,235'

REV.	DATE	Eddy GE State COM #3 660' FSL, 660' FWL Unit M - 23 - T20S - R27E Eddy County, NM	DRAWN	DAJ		
-	1/4/2023		APP'D			
			SCALE	NTS		
			DATE	1/4/2023		
			2	SHEETS	SHEET	1
Premier Oil & Gas, Inc.						

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CONDITIONS

Action 181134

CONDITIONS

Operator: PREMIER OIL & GAS INC PO Box 837205 Richardson, TX 75083	OGRID: 17985
	Action Number: 181134
	Action Type: [C-101] Drilling Non-Federal/Indian (APD)

CONDITIONS

Created By	Condition	Condition Date
kpickford	Notify NMOCD 24 Hours Prior to beginning operations	2/1/2023