



NEW MEXICO ENERGY, MINERALS and NATURAL RESOURCES DEPARTMENT

GARY E. JOHNSON
Governor
Jennifer A. Salisbury
Cabinet Secretary

July 28, 2000

Lori Wrotenbery
Director
Oil Conservation Division

Premier Oil and Gas, Inc.
P. O. Box 1246
Artesia, New Mexico 88210
Attention: Rosalie Jones

Administrative Order NSL-4495(SD)

Dear Ms. Jones:

Reference is made to the following: (i) your application dated July 24, 2000; and (ii) the records of the New Mexico oil Conservation Division in Santa Fe ("Division"): all concerning Premier Oil and Gas, Inc.'s ("Premier") request for an unorthodox infill oil well location within an existing standard 40-acre oil spacing and proration unit comprising the NE/4 NE/4 (Unit A) of Section 22, Township 17 South, Range 30 East, NMPM, Loco Hills-Paddock Pool, Eddy County, New Mexico.

This 40-acre unit is currently dedicated to Premier's Dale H. Parke "A" Tract-1 Well No. 23 (API No. 30-015-30738) located at a standard oil well location 330 feet from the North and East lines of Section 22.

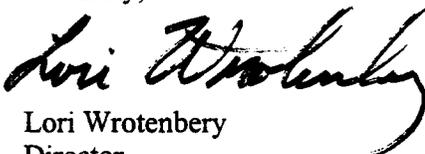
This application has been duly filed under the provisions of Division Rule 104.F, revised by Division Order No. R-11231, issued by the New Mexico Oil Conservation Commission in Case No. 12119 on August 12, 1999.

By the authority granted me under the provisions of Division Rule 104.F (2), the following described well to be drilled at an unorthodox infill oil well location within the NE/4 NE/4 (Unit A) of Section 22 is hereby approved:

Dale H. Parke "A" Tract-1 Well No. 26
1026' FNL & 953' FEL
(API No. 30-015-31202).

Further, both the existing Dale H. Parke "A" Tract-1 Well No. 23 and the proposed Dale H. Parke "A" Tract-1 Well No. 26 are to be simultaneously dedicated to the subject 40-acre unit.

Sincerely,


Lori Wrotenbery
Director



LW/MES/kv

cc: New Mexico Oil Conservation Division - Artesia
U. S. Bureau of Land Management - Carlsbad