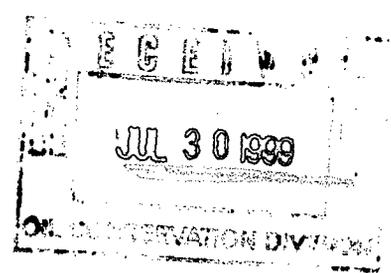


NSL 8/19/99

P REMIER OIL AND GAS, INC.

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

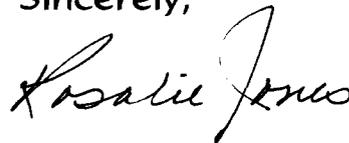
resulted in the unorthodox location of 205' FNL and 1650' FEL. Therefore, requiring this Application for Administrative Approval of Unorthodox Location.

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 that reads "Rosalie Jones". The signature is written in a cursive style with a large, looping initial "R".

Rosalie Jones
President

RJ/mm
Enclosures

List of Offset Operators and Interest Owners

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

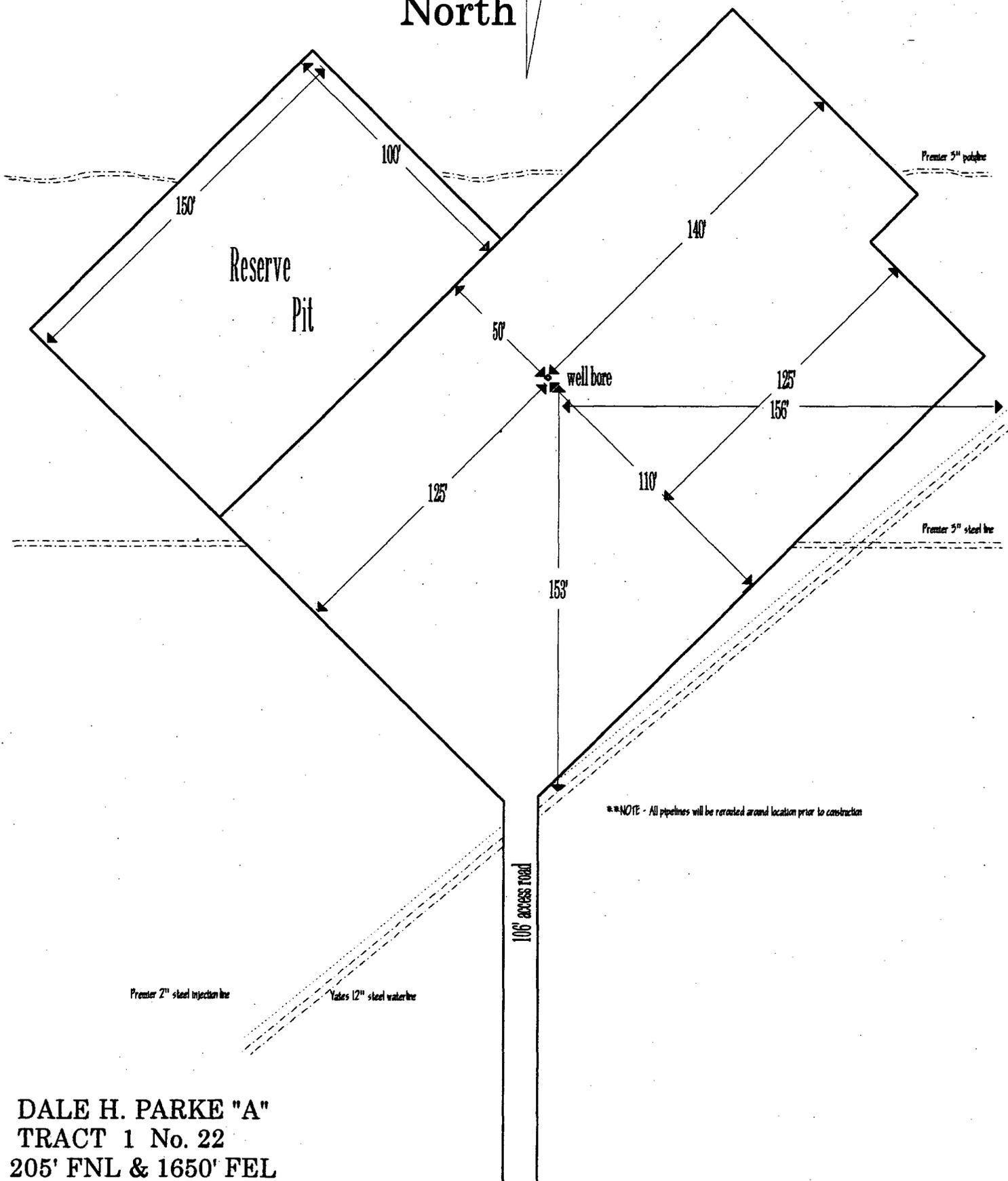
Arco Permian
Post Office Box 1610
Midland, Texas 79702

Bureau of Land Management
2909 West 2nd 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 88341-1989

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

DISTRICT III
1000 Rio Brazos Rd., Artec, 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
OGRID No. 17985	Operator Name PREMIER OIL & GAS INC.	Elevation 3686

Surface Location

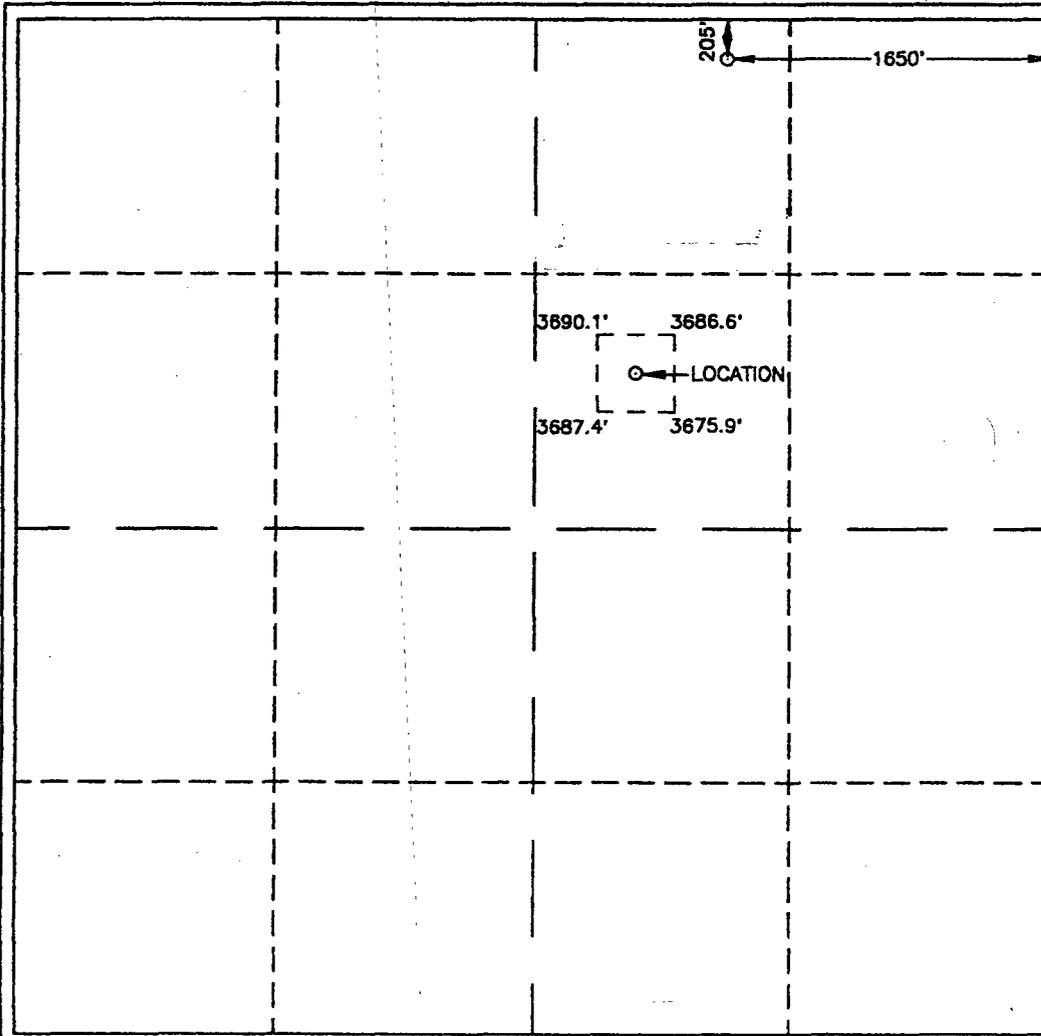
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	22	17 S	30 E		205	NORTH	1650	EAST	EDDY

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 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



OPERATOR CERTIFICATION

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

Rosalie Jones
Signature

ROSALIE JONES
Printed Name

PRESIDENT
Title

7/29/99
Date

SURVEYOR CERTIFICATION

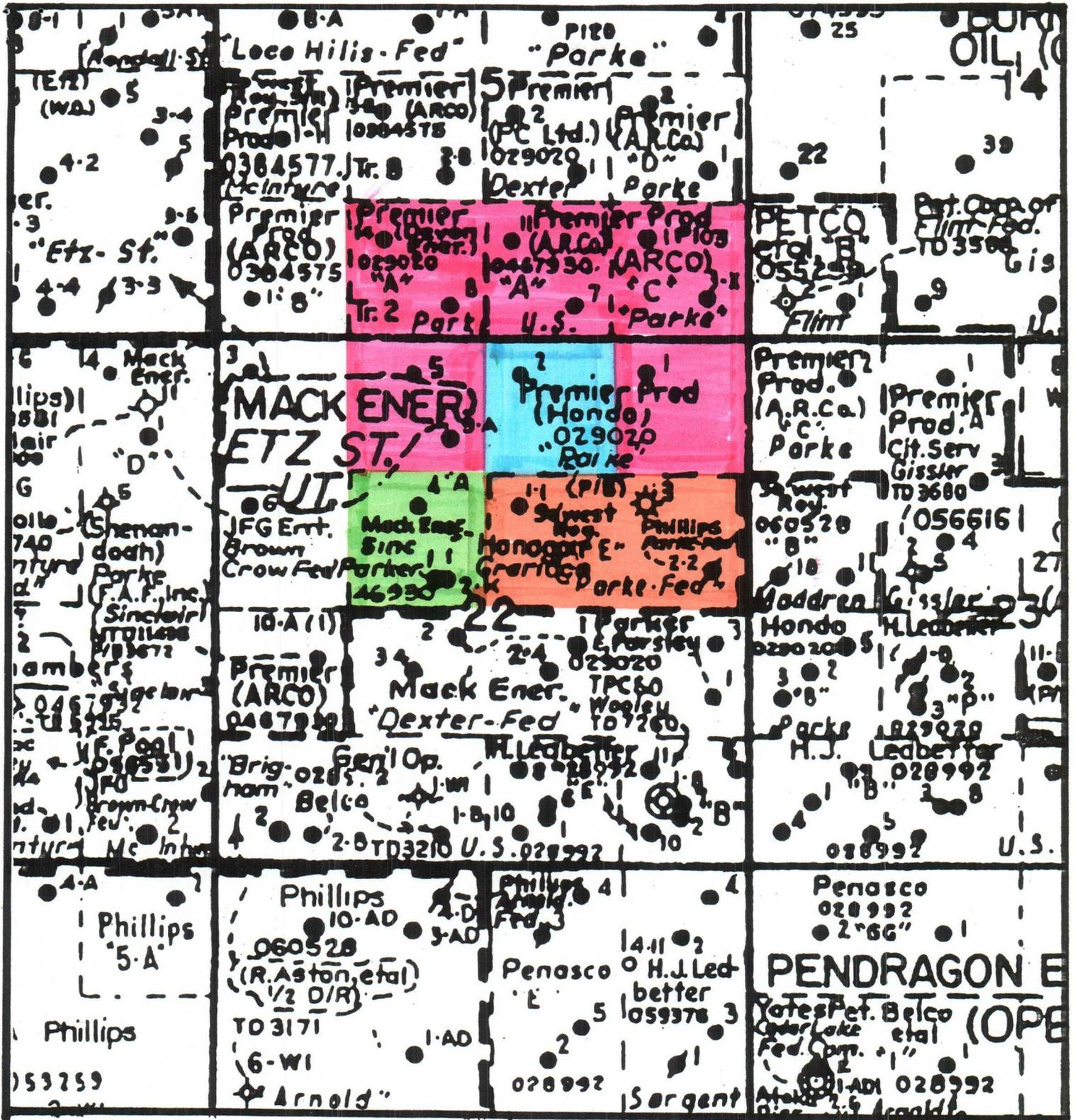
I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief.

JULY 26, 1999
Date Surveyed

Ronald S. Eidson
Signature & Seal
Professional Surveyor

NEW MEXICO
7-27-99
P.O. Num. 99-10603

Certificate No. RONALD S. EIDSON, 3239
CARRIE EIDSON, 12641
MADON McDONALD, 12185



Offset Loco Hills Paddock Pool Interest Owners



Acreage Dedicated to Dale H. Parke "A" Tract 1 No. 22

Mack Energy Corporation

Marbob Energy Corporation

Premier Oil & Gas, Inc.