



NEW MEXICO ENERGY, MINERALS
& NATURAL RESOURCES DEPARTMENT

OIL CONSERVATION DIVISION
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

August 21, 1999

Premier Oil and Gas, Inc.
P.O. Box 1246
Artesia, New Mexico 88210

Attention: Rosalie Jones
President

Re: *Administrative application for an unorthodox oil well location in Unit "B" of Section 22, Township 17 South, Range 30 East, NMPM, Loco Hills-Paddock Pool, Eddy County, New Mexico.*

Dear Mr. Jones:

In order to complete my review of this application it will be necessary for you to provide me with a detailed surface plat of Unit "B" and a comprehensive discussion on the "impact to previously drilled new wells or proposed wells" that a move to a standard oil well location within this quarter-quarter section will have.

All correspondence concerning this issue will be in writing. Thank you for your cooperation.

Sincerely,

Michael E. Stogner
Chief Hearing Officer/Engineer

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