

204350619

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION - Engineering Bureau -

ADMINISTRATIVE APPLICATION COVER SHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATIONS FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS

Application Acronyms:

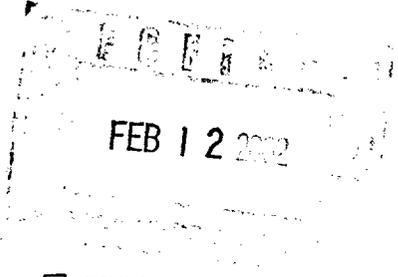
- [NSP-Non-Standard Proration Unit] [NSL-Non-Standard Location] [DD-Directional Drilling] [SD-Simultaneous Dedication] [DHC-Downhole Commingling] [CTB-Lease Commingling] [PLC-Pool/Lease Commingling] [PC-Pool Commingling] [OLS - Off-Lease Storage] [OLM-Off-Lease Measurement] [WFX-Waterflood Expansion] [PMX-Pressure Maintenance Expansion] [SWD-Salt Water Disposal] [IPI-Injection Pressure Increase] [EOR-Qualified Enhanced Oil Recovery Certification] [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

- [A] Location - Spacing Unit - Directional Drilling [X] NSL [] NSP [] DD [] SD

Check One Only for [B] and [C]

- [B] Commingling - Storage - Measurement [] DHC [] CTB [] PLC [] PC [] OLS [] OLM [C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery [] WFX [] PMX [] SWD [] IPI [] EOR [] PPR



[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or [] Does Not Apply

- [A] [] Working, Royalty or Overriding Royalty Interest Owners [B] [X] Offset Operators, Leaseholders or Surface Owner [C] [] Application is One Which Requires Published Legal Notice [D] [X] Notification and/or Concurrent Approval by BLM or SLO U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office [E] [X] For all of the above, Proof of Notification or Publication is Attached, and/or, [F] [] Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Statement of Understanding

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with supervisory capacity.

DEAN CHUMBLEY Print or Type Name

Signature

AUTHORIZED AGENT Title

2-8-2002 Date

P REMIER OIL AND GAS, INC.

February 8, 2002

New Mexico Energy Minerals & Natural Resources Department
Oil Conservation Division
1220 South Saint Francis Drive
Santa Fe, New Mexico 87504

RE: Application for Approval of Unorthodox Location
Dale H. Parke "C" Federal No. 11 (30-015-31076) 10705/280E ?
Unit P - Section 15, Township 17 South, Range 30 East
Eddy County, New Mexico

Gentlemen:

Premier Oil and Gas Incorporated respectfully requests approval for the above referenced well at a location of 1070' FSL and 330' FEL of Section 15. The Dale H. Parke "C" Federal No. 11 is proposed to drill to a depth of 6000 feet. If successful, the well would be a Loco Hills Paddock producer.

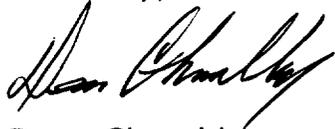
The unorthodox location is requested due to having to avoid numerous pipelines at the orthodox footage. Originally, the location was placed unorthodox to both the north and east lines. Approval to commingle pools was granted which enabled Premier to dismantle an existing tank battery. The proposed location was then moved to the before mentioned footage. The result being an unorthodox location that affected another Premier operated lease with matching Loco Hills Paddock ownership. A move to the south required too much distance to avoid all the pipelines in the area. If moved to the south, the Dale H. Parke "C" Federal No. 11 would be placed within a few hundred feet of the existing Dale H. Parke "C" Federal No. 10 well.

Attached to this Application please find the following exhibits:

- A.) Dale H. Parke "C" Federal No. 11 C-102 Form
- B.) Offsetting Units Plat
- C.) Well Pad Layout

Please do not hesitate to contact us should you require any further information. We would respectfully request approval at the end of the waiting period due to the fact that our permit to drill expires in mid April. Any assistance in reviewing this Application is greatly appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Chumbley". The signature is fluid and cursive, with the first name "Dean" and last name "Chumbley" clearly distinguishable.

Dean Chumbley
Land Department

DC/mm
Enclosures

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

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

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

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

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
Property Code	Property Name DALE H. PARKE C. FED.	Well Number 11
OGRID No.	Operator Name PREMIER OIL & GAS, INC.	Elevation 3688

Surface Location

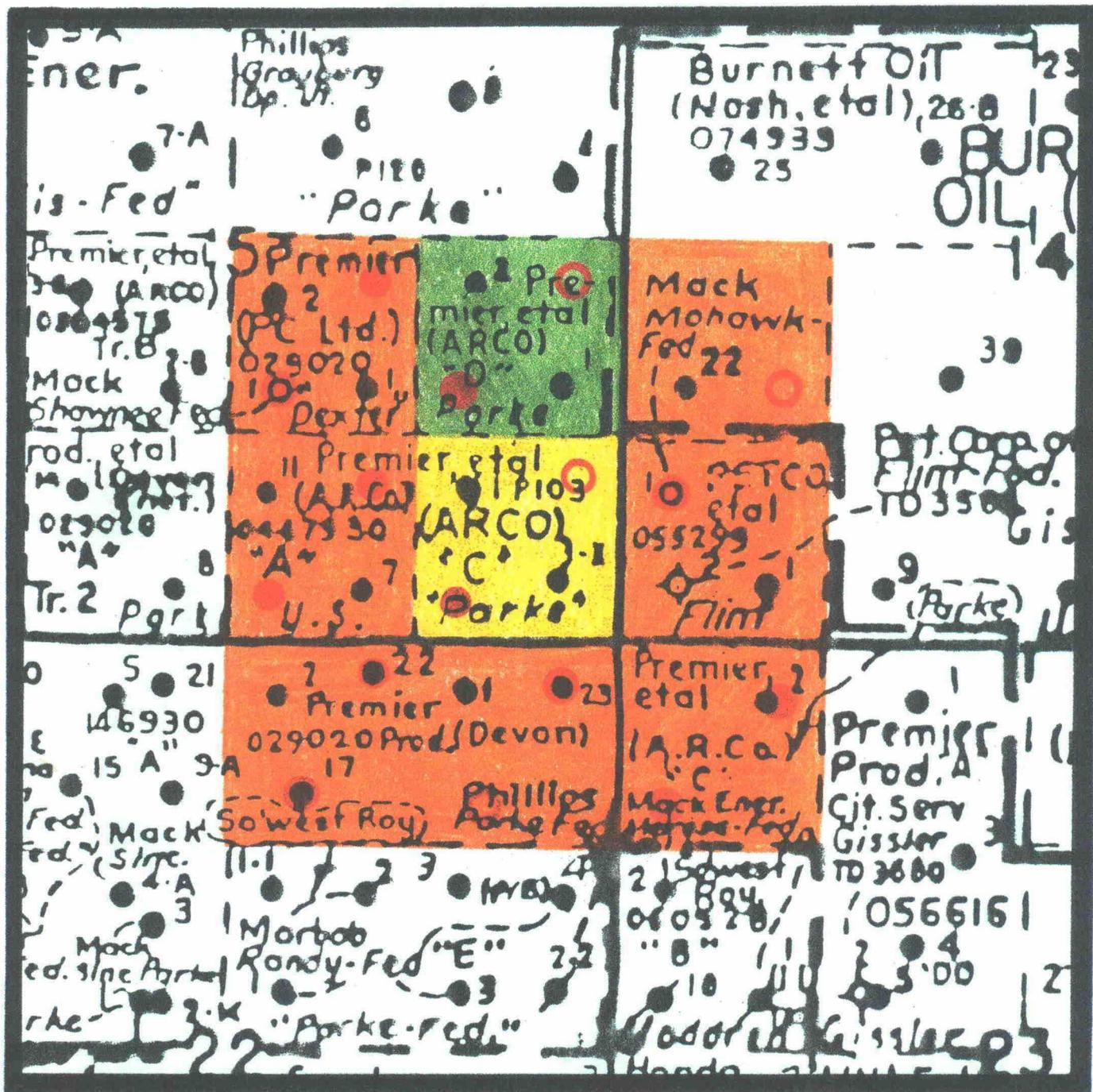
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
P	15	17 S	30 E		1070	SOUTH	330	EAST	EDDY

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	Joint or Infill	Consolidation Code	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

	<p>OPERATOR CERTIFICATION</p> <p><i>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i></p> <p>Signature _____</p> <p>Printed Name _____</p> <p>Title _____</p> <p>Date _____</p>
	<p>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 style="text-align: right;">JANUARY 7, 2002</p>
	<p>Date Surveyed _____ LMP</p> <p>Signature & Seal of Professional Surveyor</p> <p style="text-align: center;"> </p>
	<p>Certificate No. RONALD J. EIDSON 3239 GARY EIDSON 12641</p>



OFFSETTING UNITS PLAT



Dale H Parke "C" Fed. No. 11



Offsetting Unit



Affected Unit

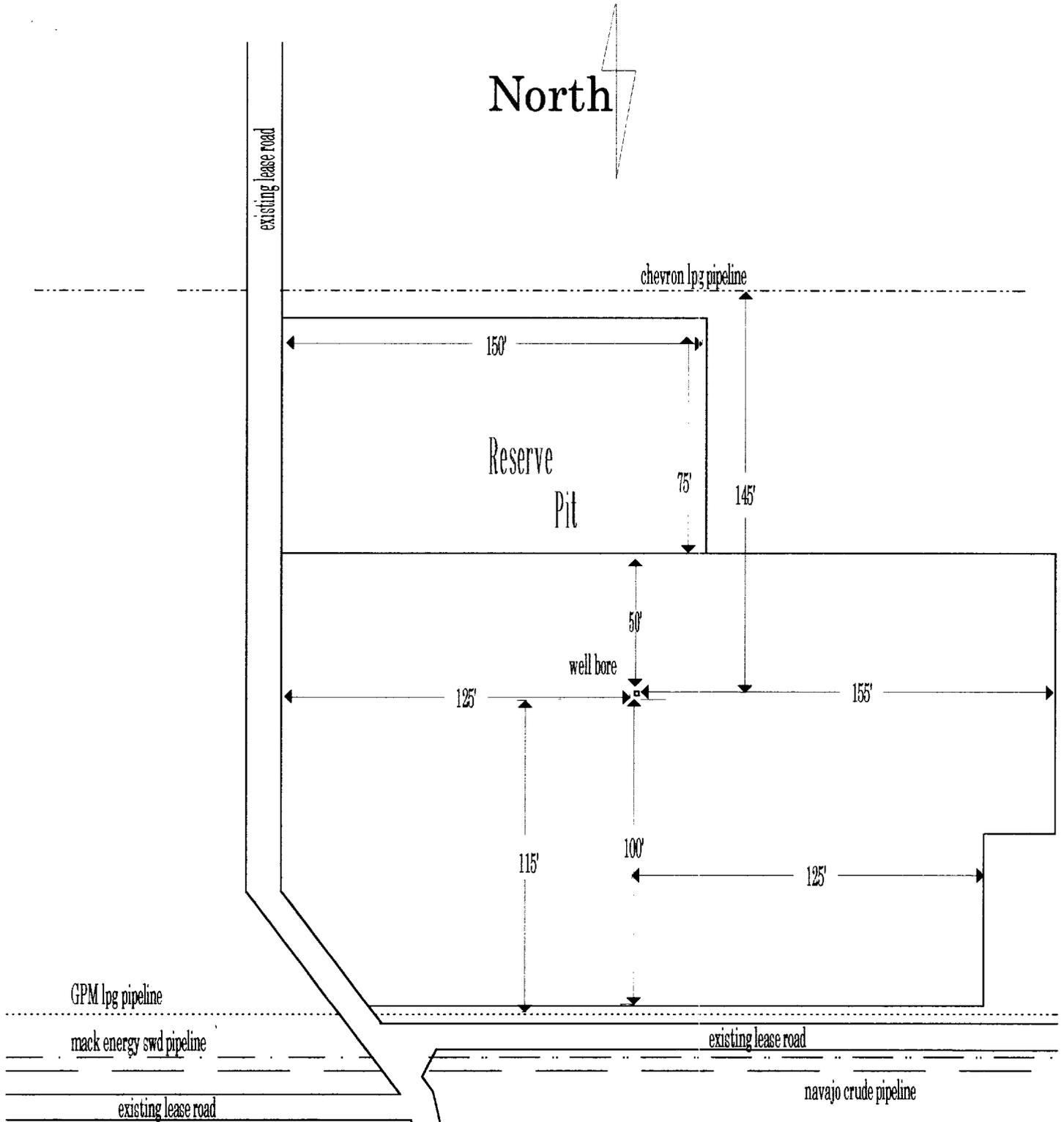


Loco Hills Paddock Well



Proposed Loco Hills Paddock Well

North



DALE H. PARKE "C"
FEDERAL No. 11
1070' FSL & 330' FEL
Section 15; T17S - R30E
Eddy County, New Mexico

?

Exhibit Four

P REMIER OIL AND GAS, INC.

February 8, 2002

Bureau of Land Management
2909 West Second Street
Roswell, New Mexico 88202

RE: Unorthodox Location Application
Dale H. Parke "C" Federal No. 11
Section 15, Township 17 South, Range 30 East
Eddy County, New Mexico

To Whom It May Concern:

Please be advised that Premier Oil and Gas, Inc. has submitted an Application with the NMOCD for approval to drill the above referenced well at an unorthodox location. A copy of the Application is enclosed for your review. Any objections must be made in writing to the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, NM 87505 within fifteen (15) days of receipt of this letter. If, upon review, you find you need further information, please contact us at 505-748-2093.

Thank you for your prompt attention to this matter.

Sincerely,



Dean Chumbley
Authorized Agent

DC/mm
Enclosures

P REMIER OIL AND GAS, INC.

February 8, 2002

Chase Oil Corporation
Post Office Box 1767
Artesia, New Mexico 88211-1767

RE: Unorthodox Location Application
Dale H. Parke "C" Federal No. 11
Section 15, Township 17 South, Range 30 East
Eddy County, New Mexico

To Whom It May Concern:

Please be advised that Premier Oil and Gas, Inc. has submitted an Application with the NMOCD for approval to drill the above referenced well at an unorthodox location. A copy of the Application is enclosed for your review. Any objections must be made in writing to the New Mexico Oil Conservation Division, 1220 S. St. Francis Drive, Santa Fe, NM 87505 within fifteen (15) days of receipt of this letter. If, upon review, you find you need further information, please contact us at 505-748-2093.

Thank you for your prompt attention to this matter.

Sincerely,



Dean Chumbley
Authorized Agent

DC/mm
Enclosures

P REMIER OIL AND GAS, INC.

February 8, 2002

Burnett Oil Company
801 Cherry Street, Suite 1500
Fort Worth, Texas 76102

RE: Unorthodox Location Application
Dale H. Parke "C" Federal No. 11
Section 15, Township 17 South, Range 30 East
Eddy County, New Mexico

To Whom It May Concern:

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Thank you for your prompt attention to this matter.

Sincerely,



Dean Chumbley
Authorized Agent

DC/mm
Enclosures

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/12/02 16:18:
OGOMES -TP
PAGE NO:

Sec : 15 Twp : 17S Rng : 30E Section Type : NORMAL

D 40.00 Federal owned A A	C 40.00 Federal owned A	B 40.00 Federal owned A	A 40.00 Federal owned A
E 40.00 Federal owned A A A	F 40.00 Federal owned A A A	G 40.00 Federal owned A	H 40.00 Federal owned A A

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

02/12/02 16:18:
OGOMES -TP
PAGE NO:

Sec : 15 Twp : 17S Rng : 30E Section Type : NORMAL

L 40.00 Federal owned A A A	K 40.00 Federal owned A A A A	J 40.00 Federal owned A A A A	I 40.00 Federal owned A A A A
M 40.00 Federal owned A A A	N 40.00 Federal owned A A A A	O 40.00 Federal owned A A A A	P 40.00 Federal owned A A A A

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06
PF07 BKWD PF08 FWD PF09 PRINT PF10 SDIV PF11 PF12

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

02/12/02 16:19:
OGOMES -TP

API Well No : 30 15 31074 Eff Date : 11-12-2000 WC Status : A
Pool Idn : 96718 LOCO HILLS; PADDOCK
OGRID Idn : 17985 PREMIER OIL & GAS INC
Prop Idn : 9378 DALE H PARKE C

Well No : 013
GL Elevation: 3679

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/
	---	---	-----	-----	-----	-----	-----
B.H. Locn	: P	15	17S	30E	FTG 360 F S	FTG 990 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

Type of consolidation (Comm, Unit, Forced Pooling - C/U/F/O) :

M0025: Enter PF keys to scroll

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07	PF08	PF09	PF10 NEXT-WC	PF11 HISTORY	PF12 NXTREC

CMD : ONGARD 02/12/02 16:19:
OG6ACRE C102-DEDICATE ACREAGE OGOMES -TP

Page No :

API Well No : 30 15 31074 Eff Date : 11-12-2000
Pool Idn : 96718 LOCO HILLS; PADDOCK
Prop Idn : 9378 DALE H PARKE C Well No : 01
Spacing Unit : 53680 OCD Order : Simultaneous Dedication:
Sect/Twp/Rng : Acreage : 40.00 Revised C102? (Y/N) :
Dedicated Land:

S	Base	U/L	Sec	Twp	Rng	Acreage	L/W	Ownership	Lot	Idn
	P		15	17S	30E	40.00	N	FD		

E0005: Enter data to modify or PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 LAND PF11 NXTSEC PF12 RECONF

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

02/12/02 16:19:
OGOMES -TP
Page No:

OGRID Identifier : 17985 PREMIER OIL & GAS INC
Pool Identifier : 96718 LOCO HILLS; PADDOCK
API Well No : 30 15 31074 Report Period - From : 01 2000 To : 12 2001

API Well No	Property Name	Prodn. Days	Production Volumes	We
		MM/YY Prod	Gas Oil Water	St
30 15 31074	DALE H PARKE C	12 00 30	5321 4505 14500	P
30 15 31074	DALE H PARKE C	01 01 30	2694 2582 9721	P
30 15 31074	DALE H PARKE C	02 01 28	4200 2820 8400	P
30 15 31074	DALE H PARKE C	03 01 25	2907 2490 7497	P
30 15 31074	DALE H PARKE C	04 01 30	3160 2448 7359	P
30 15 31074	DALE H PARKE C	05 01 28	2906 2279 6200	P
30 15 31074	DALE H PARKE C	06 01 30	3406 2333 6100	P

Reporting Period Total (Gas, Oil) :

M0025: Enter PF keys to scroll

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD :
OG6IPRD

ONGARD
INQUIRE PRODUCTION BY POOL/WELL

02/12/02 16:19:
OGOMES -TP
Page No:

OGRID Identifier : 17985 PREMIER OIL & GAS INC
Pool Identifier : 96718 LOCO HILLS; Paddock
API Well No : 30 15 31074 Report Period - From : 01 2000 To : 12 2001

API Well No	Property Name	Prodn. Days MM/YY Prod	Production Volumes Gas Oil Water	We St
30 15 31074	DALE H PARKE C	07 01 30	3644 2435 6200	P
30 15 31074	DALE H PARKE C	08 01 31	3010 2220 5100	P
30 15 31074	DALE H PARKE C	09 01 30	3000 1980 4650	P
30 15 31074	DALE H PARKE C	10 01 31	3450 2100 4805	P
30 15 31074	DALE H PARKE C	11 01 30	2989 1740 4200	P

Reporting Period Total (Gas, Oil) : 40687 29932 84732

E0049: User may continue scrolling.

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 BKWD PF08 FWD PF09 PF10 NXTPOOL PF11 NXTOGD PF12

CMD : ONGARD 02/12/02 16:20:
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TP

OGRID Idn : 17985 API Well No: 30 15 31076 APD Status(A/C/P): A
Opr Name, Addr: PREMIER OIL & GAS INC Aprvl/Cncl Date : 04-11-20
PO BOX 1246
ARTESIA,NM 88210

Prop Idn: 9378 DALE H PARKE C Well No: 11

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
Surface Locn	: P	15	17S	30E			FTG 1070 F S	FTG 280 F E
OCD U/L	: P		API County	: 15				

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): O Cable/Rotary (C/R) :
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3689

State Lease No: Multiple Comp (S/M/C) : N
Prpsd Depth : 6000 Prpsd Frmtn : LOCO HILLS PADDOCK

E0009: Enter data to modify record

PF01 HELP PF02 PF03 EXIT PF04 GoTo PF05 PF06 CONFIRM
PF07 PF08 PF09 PRINT PF10 C102 PF11 HISTORY PF12

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.
LC-029020C

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

DALE H PARKE C FED #11

9. API Well No.

30-015-31076

10. Field and Pool, or Exploratory Area

LOCO HILLS PADDOCK

11. County or Parish, State

EDDY CO., NM

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

PREMIER OIL AND GAS INC

3. Address and Telephone No.

P.O. BOX 1246, ARTESIA, NM 88210 505-748-2093

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1070 FSL 280 FEL, SEC. 15-T17S-R30E UNIT P

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

Notice of Intent

Abandonment

Change of Plans

Recompletion

New Construction

Subsequent Report

Plugging Back

Non-Routine Fracturing

Casing Repair

Water Shut-Off

Final Abandonment Notice

Altering Casing

Conversion to Injection

Other EXTEND A.P.D.

Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

WE REQUEST A ONE YEAR EXTENSION FOR THE A.P.D. ON THE ABOVE STATED WELL

Approved For 12 Month Period

Ending 4/18/2002



14. I hereby certify that the foregoing is true and correct

Signed

Robin Cochran

Title AGENT

Date 4/2/01

(This space for Federal or State office use)

(ORIG. SGD.) JOE G. LARA

Title Petroleum Engineer

Date 8/15/2001

Approved by
Conditions of approval, if any:

SF

Form 3160-5
 (June 1990)

UNITED STATES
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

FORM APPROVED
 Budget Bureau No. 1004-0135
 Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
 Use "APPLICATION FOR PERMIT-" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
 PREMIER OIL & GAS, INC

3. Address and Telephone No.
 P.O. BOX 1246, ARTESIA, NM 88210 505-748-2093

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
 1070 FSL 280 FEL, SEC. 15-T17S-R30E UNIT P

5. Lease Designation and Serial No.
 LC-029020C

6. If Indian, Allottee or Tribe Name

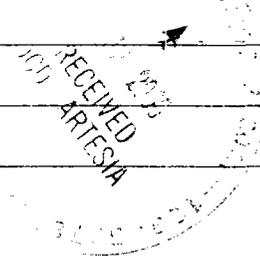
7. If Unit or CA, Agreement Designation

8. Well Name and No.
 DALE H PARKE "C" FED #11

9. API Well No.
 30-015-31076

10. Field and Pool, or Exploratory Area
 LOCO HILLS PADDOCK

11. County or Parish, State
 EDDY, NM



12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input checked="" type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

REVISE CSG PROGRAM AS FOLLOWS:

17 1/2" HOLE, 48# J-55 13 3/8" CSG TO 450', CMT W/300 SX, CIRC

12 1/4" HOLE, 24# J-55 8 5/8" CSG TO 1250 +/- (BASE OF SALT), CMT SUFFICIENT TO TIE IN

7 7/8" HOLE, 17# J-55 5 1/2" CSG TO 6000', CMT SUFFICIENT TO COVER 200' ABOVE ALL KNOWN OIL & GAS HORIZONS

14. I hereby certify that the foregoing is true and correct

Signed Robin Cockrum Title AGENT

Date 07/13/00

(This space for Federal or State office use)

Approved by (OPIC. SGD.) DAVID R. GLASS Title

PETROLEUM ENGINEER

Date JUL 24 2000

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ARTESIA, NM SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 PREMIER OIL & GAS, INC 17985

3. ADDRESS AND TELEPHONE NO.
 P.O. BOX 1246, ARTESIA, NM 88210 505-748-2093

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 1070 FSL 280 FEL
 At proposed prod. zone SAME Unit P

5. LEASE DESIGNATION AND SERIAL NO.
 NM LC-029020C

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 9378

8. FARM OR LEASE NAME, WELL NO.
 DALE H PARKE "C" #11

9. API WELL NO.
 30-015-31076

10. FIELD AND POOL, OR WILDCAT
 LOCO HILLS PADDOCK

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 15-T17S-R30E

12. COUNTY OR PARISH
 EDDY

13. STATE
 NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 EAST OF LOCO HILLS ON US 82 APPX 1.3 MILES

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest orig. unit line, if any)
 280'

16. NO. OF ACRES IN LEASE
 80

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

19. PROPOSED DEPTH
 6000'

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 3689'

22. APPROX. DATE WORK WILL START*
 03/10/00

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55, 8 5/8"	24#	425'	300 SX, CIRC
7 7/8"	J-55, 5 1/2"	17#	6000'	SUFFICIENT TO COVER 200' ABOVE ALL KNOWN O&G HORIZONS

PAY ZONE WILL BE SELECTIVELY STIMULATED AND PERFORATED AS NEEDED FOR OPTIMUM PRODUCTION

- ATTACHED ARE: 1. WELL LOCATION AND ACREAGE DEDICATION PLAT
 2. SURFACE USE PLAN
 3. SUPPLEMENTAL DRILLING DATA



NSL-

IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Boalio Jones TITLE PRESIDENT DATE 02/09/00

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY IS/LARRY D. BRAY TITLE Assistant Field Manager, Lands And Minerals DATE APR 11 2000

*See Instructions On Reverse Side

APPROVED FOR 1 YEAR

DRILLING PROGRAM

Attached to Form 3160-3
Premier Oil and Gas, Inc.
Dale H. Parke "C" Federal No. 11
1070' FSL and 280' FEL
Section 15-17S-30E
Eddy County, New Mexico

1. **Geologic Name of Surface Formation:**

Permian

2. **Estimated Tops of Important Geologic Markers:**

Permian	Surface	Seven Rivers	1145'
Salt	475'	Queen	1815'
Base of Salt	780'	Grayburg	2140'
Yates	930'	San Andres	2510'
		Glorietta	3900'

3. **Estimated Depths of Anticipated Fresh Water, Oil or Gas:**

Upper Permian Sands	100'	Fresh Water
Yates	930'	Oil
Seven Rivers	1145'	Oil
Queen	1815'	Oil
Grayburg	2140'	Oil
San Andres	2510'	Oil
Glorietta	3900'	Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8 casing at 425' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD.

4. **Casing Program:**

<u>Hole Size</u>	<u>Interval</u>	<u>OD csg</u>	<u>Weight, Grade, Jt. Cond. Type</u>
12 1/4"	0 - 425'	8 5/8"	24# J-55 LTC NEW R-3
7 7/8"	0 - TD	5 1/2"	17# J-55 LTC NEW R-3

DRILLING PROGRAM
PAGE 2

Cement Program:

- 8 5/8" Surface Casing: Cemented to surface with 300sx of Class C w/2% cc.
5 1/2" Production Casing: Cemented to sufficiently cover 200' above all oil and gas horizons.

5. Minimum Specifications for Pressure Control:

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3000 psi wp) preventer. This unit will be hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. This BOP will be nipped up on the 8 5/8" surface csg and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 3000 psi before drilling out of surface casing.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

6. Types and Characteristics of the Proposed Mud System:

The well will be drilled to TD with cut brine. The applicable depths and properties of this system are as follows:

<u>Depth</u>	<u>Type</u>	<u>Weight (ppg)</u>	<u>Viscosity (sec)</u>	<u>Waterloss (cc)</u>
0 - 425'	Fresh Water (Spud)	8.5	28	N.C.
350'-6000'	Brine	9.8 - 10.2	40 - 45	N.C.

7. Auxiliary Well Control and Monitoring Equipment:

- (A) A kelly cock will be kept in the drill string at all times.
(B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

DRILLING PROGRAM

PAGE 3

8. Logging, Testing, and Coring Program:

- (A) No Drillstem tests are anticipated.
- (B) The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Csng Log, and Depth Control Log.
- (C) No conventional coring is anticipated.
- (D) Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 105° and estimated bottom hole pressure (BHP) is 2218 psig.

10. Anticipated Starting Date and Duration of Operations:

Location and road work will not begin until approval has been received from the BLM. The anticipated spud date is March 22, 2000. Once commenced, the drilling operation should be finished in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing before a decision is made to install permanent facilities.

SURFACE USE AND OPERATING PLAN

**Attached to Form 3160-3
Premier Oil and Gas, Inc.
Dale H. Parke "C" Federal No. 11
1070' FSL and 280' FEL
Section 15-17S-30E
Eddy County, New Mexico**

1. **Existing Roads:**

- A. The well site and elevation plat for the proposed well is attached. It was staked by John West Engineering.
- B. All roads to the location are shown in Exhibit #3. The existing roads are illustrated in red and are adequate for travel during drilling and production operations. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite inspection.
- C. Directions to location: From Loco Hills, proceed east on U.S. 82 for 2.1 miles to lease road at mile marker 134. Turn north on lease road and proceed 1.1 miles. Location on east side of lease road.
- D. Routine grading and maintenance of existing roads will be conducted as necessary to maintain their condition as long as any operations continue on this lease.

2. **Proposed Access Road:**

No new road will be built for this well. Existing roads will be used to access the proposed well.

- A. The average grade will be less than 1%.
- B. No turnouts are planned.
- C. No culverts, cattleguard, gates, low-water crossings, or fence cuts are necessary.
- D. Surfacing material will consist of native caliche. Caliche will be obtained from the nearest BLM-approved caliche pit. Any additional materials that are required will be purchased from the dirt contractor.
- E. The proposed access road as shown in Exhibit #3 has been centerline flagged by John West Engineering.

**SURFACE USE AND OPERATING PLAN
PAGE 2**

3. Location of Existing Wells:

Exhibit #2 shows all existing wells within a one-half mile radius of this well.

4. Location of Existing and/or Proposed Facilities:

- A. Premier Oil and Gas, Inc. has an established collection facility for this lease located in the SE/4 of the SE/4 of Section 15-17S-30E, Eddy County.
- B. If the well is productive, a 3" plastic flowline (grade SDR 7 @ 265 psi) will be laid on the surface following the existing lease road or pipeline Right-of-Way to the tank battery as shown in blue on Exhibit #3. Anticipated pressures in the flowline should not exceed 75 psi.
- C. If the well is productive, power will be obtained from Central Valley Electric. Central Valley Electric will apply for ROW for their power lines.
- D. If the well is productive, rehabilitation plans are as follows:
 - (1) The reserve pit will be back-filled after the contents of the pit are dry (within 10 months after the well is completed).
 - (2) Topsoil removed from the drill site will be used to recontour the pit area and any unused portions of the drill pad to the original natural level, as nearly as possible, and reseeded as per BLM specifications.

5. Location and Type of Water Supply:

The well will be drilled with a combination brine and fresh water mud system as outlined in the drilling program. The water will be obtained from commercial water stations in the area and hauled to the location by transport truck over the existing and proposed access roads shown in Exhibit #3. If a commercial fresh water source is nearby, fasline may be laid along existing road ROW's and fresh water pumped to the well. No water well will be drilled on the location.

6. Source of Construction Materials:

All caliche required for construction of the drill pad and the proposed new access road (approximately 1500 cubic yards) will be obtained from a BLM - approved caliche pit. All roads and pads will be constructed of 6" of rolled and compacted caliche.

by
BLM on
9/20/01
15

SURFACE USE AND OPERATING PLAN

PAGE 3

7. Methods of Handling Water Disposal:

- A. Drill cuttings not retained for evaluation purposes will be disposed into the reserve pit.
- B. Drilling fluids will be contained in lined working pits. The reserve pit will contain any excess drilling fluid or flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 100' X 150' X 6' deep. A dike will be built across the pit, dividing it in half. One-half of the reserve pit will be plastic-lined to minimize loss of drilling fluids and saturation of the ground with brine water. The other half of the reserve pit will be lined with plastic and used only if we encounter a waterflow during drilling operations and find that we need additional space. This portion of the pit is a precautionary measure only. The portion of the pit that will be lined with plastic should be more than adequate for normal drilling operations. If a water flow is encountered, we should have ample time to line the other half of the pit with plastic before the water encroaches.
- C. Water produced from the well during completion may be disposed into the reserve pit.
- D. Garbage and trash produced during drilling or completion operations will be hauled off. All waste material will be contained to prevent scattering by the wind. All water and fluids will be disposed of into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste or hazardous chemicals will be produced by this operation.
- E. After the rig is moved out and the well is either completed or abandoned, all waste materials will be cleaned-up within 30 days. No adverse materials will be left on location. The reserve pit will be completely fenced until it has dried. When the reserve pit is dry enough to breakout and fill, the reserve pit will be leveled and reseeded as per BLM specifications. In the event of a dry hole, the location will be ripped and seeded, as per BLM Specifications, and a dry hole marker will remain.

SURFACE USE AND OPERATING PLAN

PAGE 4

8. **Ancillary Facilities:**

No airstrip, campsite, or other facilities will be built as a result of the operations on this well.

9. **Well Site Layout:**

- A. The drill pad layout, is shown in Exhibit #4. Dimensions of the pad and pits are shown. Top soil, if available, will be stockpiled per BLM specifications as determined at the on-site inspection.
- B. The reserve pit will be lined with a high-quality plastic sheeting.

10. **Plans for Restoration of the Surface:**

- A. Upon finishing drilling and/or completion operations, all equipment and other material not needed for operations will be removed.

All trash, garbage, and pit lining will be hauled away in order to leave the location in an aesthetically pleasing condition. All pits will be filled and the location leveled within 10 months after abandonment.

- B. Three sides of the reserve pit will be fenced prior to and during drilling operations. At the time that the rig is removed, the reserve pit will be fenced on the rig (fourth) side. The fencing will remain in place until the pit area is cleaned-up and leveled. No oil will be left on the surface of the fluid in the pit.
- C. Upon completion of the proposed operations, if the well is completed, the reserve pit area will be treated as outlined above within the same prescribed time. Any additional caliche required for facilities will be obtained from a BLM - approved caliche pit. Topsoil removed from the drill site will be used to recontour the pit area to the original natural level and reseeded as per BLM specifications.

11. **Surface Ownership:**

The wellsite and lease is located on Federal Surface.

SURFACE USE AND OPERATING PLAN
PAGE 5

- A. The area around the well site is grassland and the top soil is sandy. The vegetation is native scrub grasses with abundant oakbrush, sagebrush, yucca, and prickly pear.
- B. A Cultural Resources Examination has been requested and will be forwarded to your office in the near future.

12. Lessee's and Operator's Representative:

The Premier Oil and Gas, Inc. representative responsible for assuring compliance with the surface use plan is as follows:

Rosalie Jones
Premier Oil and Gas, Inc.
Post Office Box 1246
Artesia, New Mexico 88211
Phone: 505/748-2093 (office)

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Marbob Energy Corporation and its contractors and subcontractors in conformity with this plan and the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date: 02/10/2000

Signed: Rosalie Jones
Rosalie Jones
President

MARBOB ENERGY CORPORATION

HYDROGEN SULFIDE DRILLING OPERATIONS PLAN

I. HYDROGEN SULFIDE TRAINING

All personnel, whether regularly assigned, contracted, or employed on an unscheduled basis, will receive training from a qualified instructor in the following areas prior to commencing drilling operations on this well:

1. The hazards and characteristics of hydrogen sulfide (H₂S).
2. The proper use and maintenance of personal protective equipment and life support systems.
3. The proper use of H₂S detectors, alarms, warning systems, briefing areas, evacuation procedures, and prevailing winds.
4. The proper techniques for first aid and rescue procedures.

In addition, supervisory personnel will be trained in the following areas:

1. The effects of H₂S on metal components. If high tensile tubulars are to be used, personnel will be trained in their special maintenance requirements.
2. Corrective action and shut-in procedures when drilling or reworking a well and blowout prevention and well control procedures.
3. The contents and requirements of the H₂S Drilling Operations Plan and the Public Protection Plan.

There will be an initial training session just prior to encountering a known or probable H₂S zone (within 3 days or 500 feet) and weekly H₂S and well control drills for all personnel in each crew. The initial training session shall include a review of the site specific H₂S Drilling Operations Plan and the Public Protection Plan. This plan shall be available at the well site. All personnel will be required to carry documentation that they have received the proper training.

II. H₂S SAFETY EQUIPMENT AND SYSTEMS

Note: All H₂S safety equipment and systems will be installed, tested, and operational when drilling reaches a depth of 500 feet above, or three days prior to penetrating the first zone containing or reasonably expected to contain H₂S.

1. Well Control Equipment:

- A. Flare line.
- B. Choke manifold.
- C. Blind rams and pipe rams to accommodate all pipe sizes with properly sized closing unit.
- D. Auxiliary equipment to include: annular preventer, mud-gas separator, rotating head.

2. Protective equipment for essential personnel:

- A. Mark II Surviveair 30-minute units located in the dog house and at briefing areas.

3. H₂S detection and monitoring equipment:

- A. 2 - portable H₂S monitor positioned on location for best coverage and response. These units have warning lights and audible sirens when H₂S levels of 20 ppm are reached.
- B. 1 - portable SO₂ monitor positioned near flare line.

4. Visual warning systems:

- A. Wind direction indicators as shown on well site diagram.
- B. Caution/Danger signs shall be posted on roads providing direct access to location. Signs will be painted a high visibility yellow with black lettering of sufficient size to be readable at a reasonable distance from the immediate location. Bilingual signs will be used, when appropriate. See example attached.

5. Mud Program:

- A. The mud program has been designed to minimize the volume of H₂S circulated to the surface. Proper mud weight, safe drilling practices, and the use of H₂S scavengers will minimize hazards when

penetrating H₂S bearing zones.

B. A mud-gas separator will be utilized.

6. Communication:

A. Radio communications in company vehicles including cellular telephone and 2-way radio.

B. Land line (telephone) communications at field office.

W A R N I N G

**YOU ARE ENTERING AN H₂S AREA
AUTHORIZED PERSONNEL ONLY**

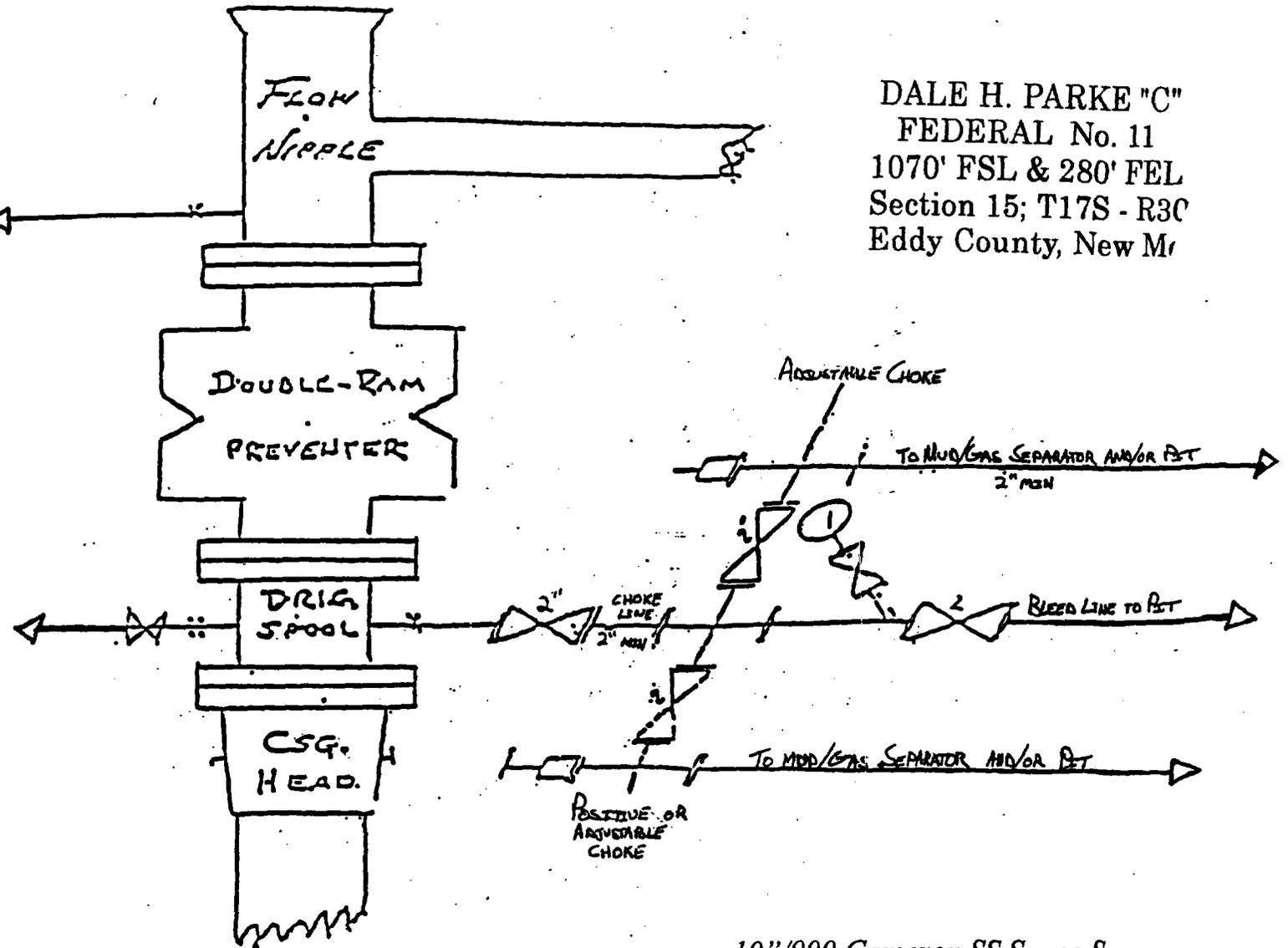
- 1. BEARDS OR CONTACT LENSES NOT ALLOWED**
- 2. HARD HATS REQUIRED**
- 3. SMOKING IN DESIGNATED AREAS ONLY**
- 4. BE WIND CONSCIOUS AT ALL TIMES**
- 5. CK WITH MARBOB FOREMAN AT MAIN OFFICE**

MARBOB ENERGY CORPORATION

1-505-748-3303

BLOW OUT PREVENTER AND CHOKE MANIFOLD

DALE H. PARKE "C"
FEDERAL No. 11
1070' FSL & 280' FEL
Section 15; T17S - R3C
Eddy County, New M

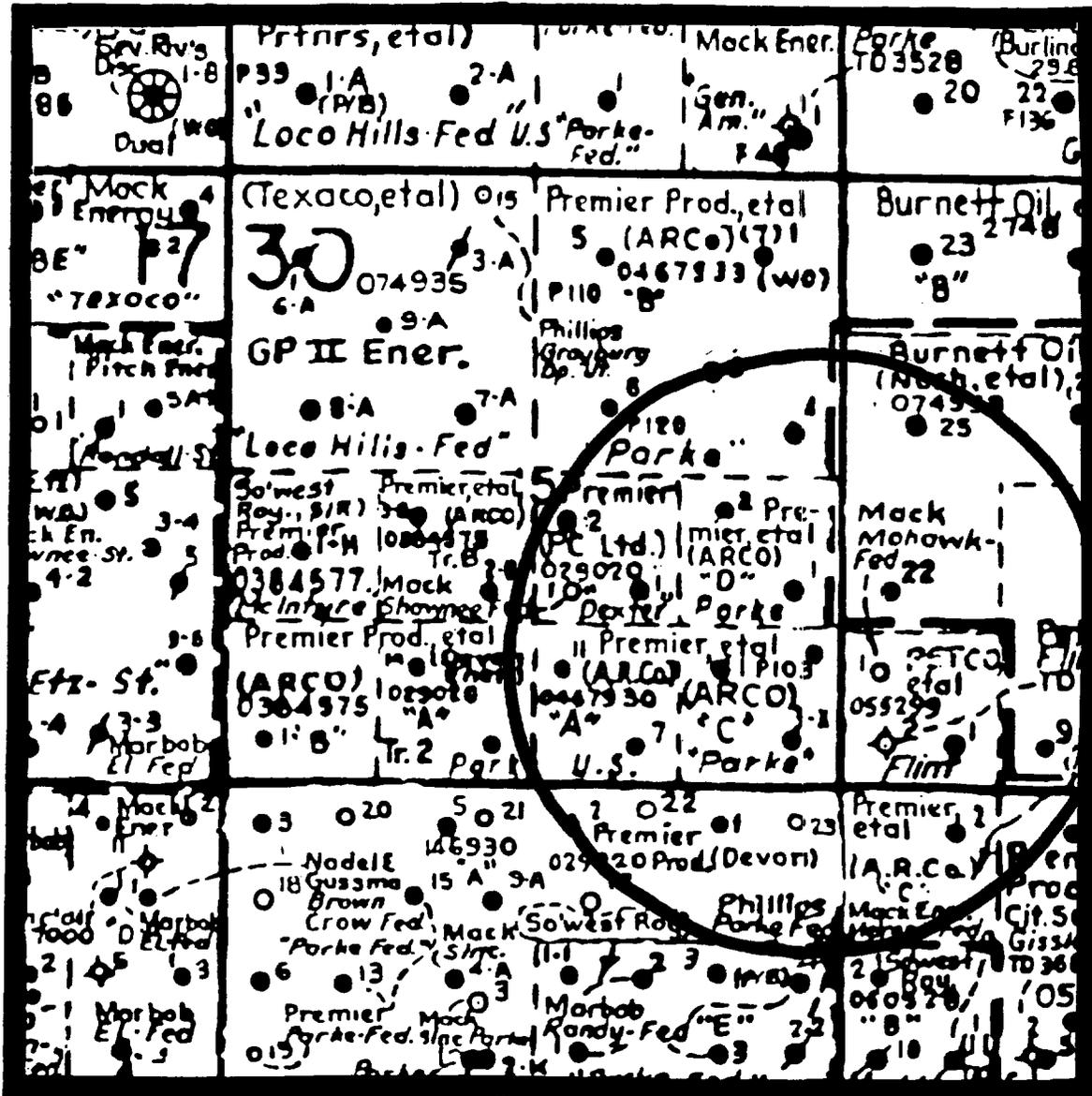


10"/900 Cameron SS Space Saver
3000# Working Pressure
3000# Working Pressure Choke Manifold

PREMIER OIL & GAS INC.

Attachment to Exhibit #1
NOTES REGARDING THE BLOWOUT PREVENTERS

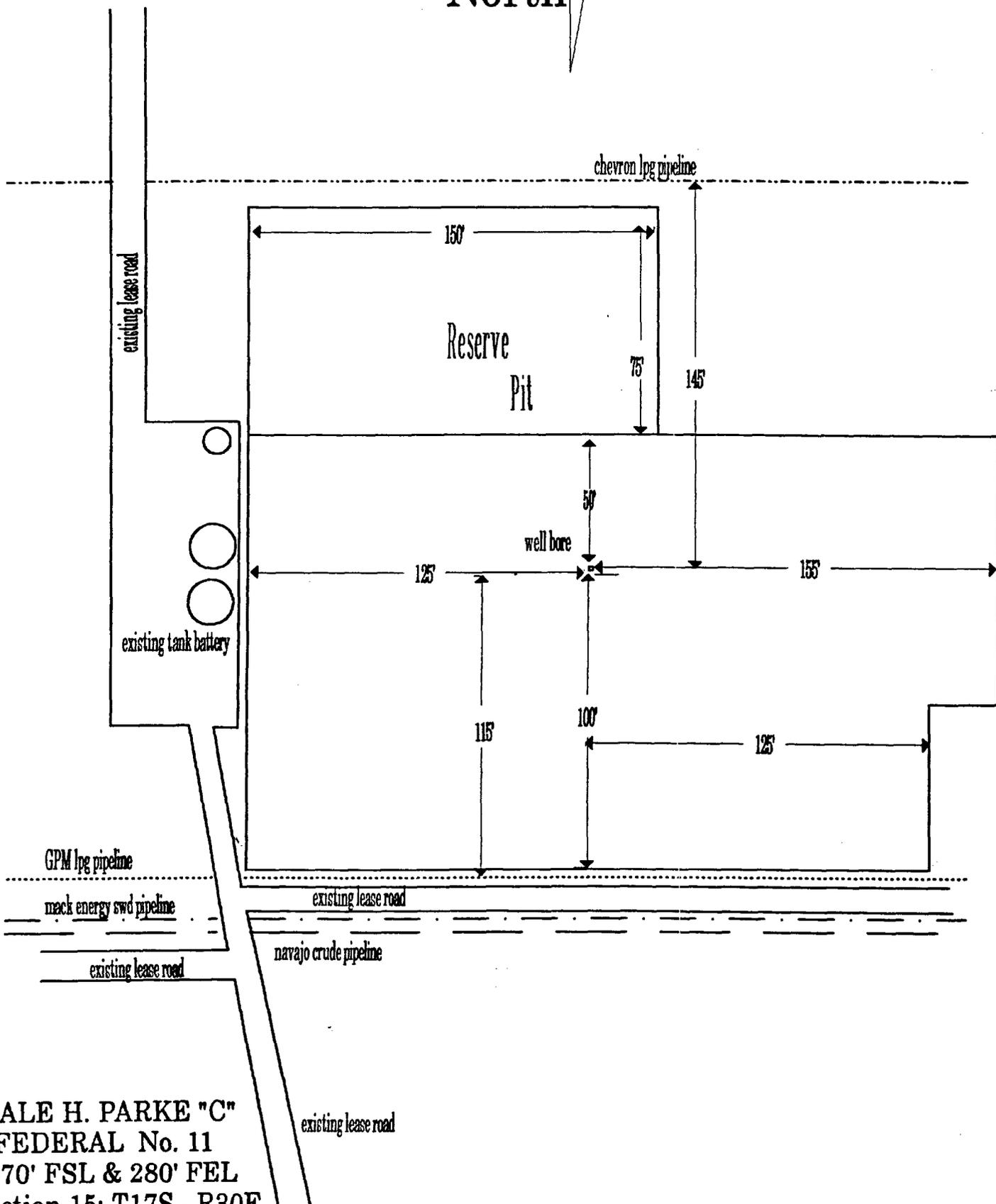
1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition, 1000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valve must be available on rig floor at all times with proper connections, valve to be full bore 1000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored, especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock on kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to driller's position as feasible.
11. Blow out preventer closing equipment to include minimum 40 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.



PREMIER OIL & GAS INC.

DALE H. PARKE "C"
 FEDERAL No. 11
 1070' FSL & 280' FEL
 Section 15; T17S - R30E
 Eddy County, New Mexico

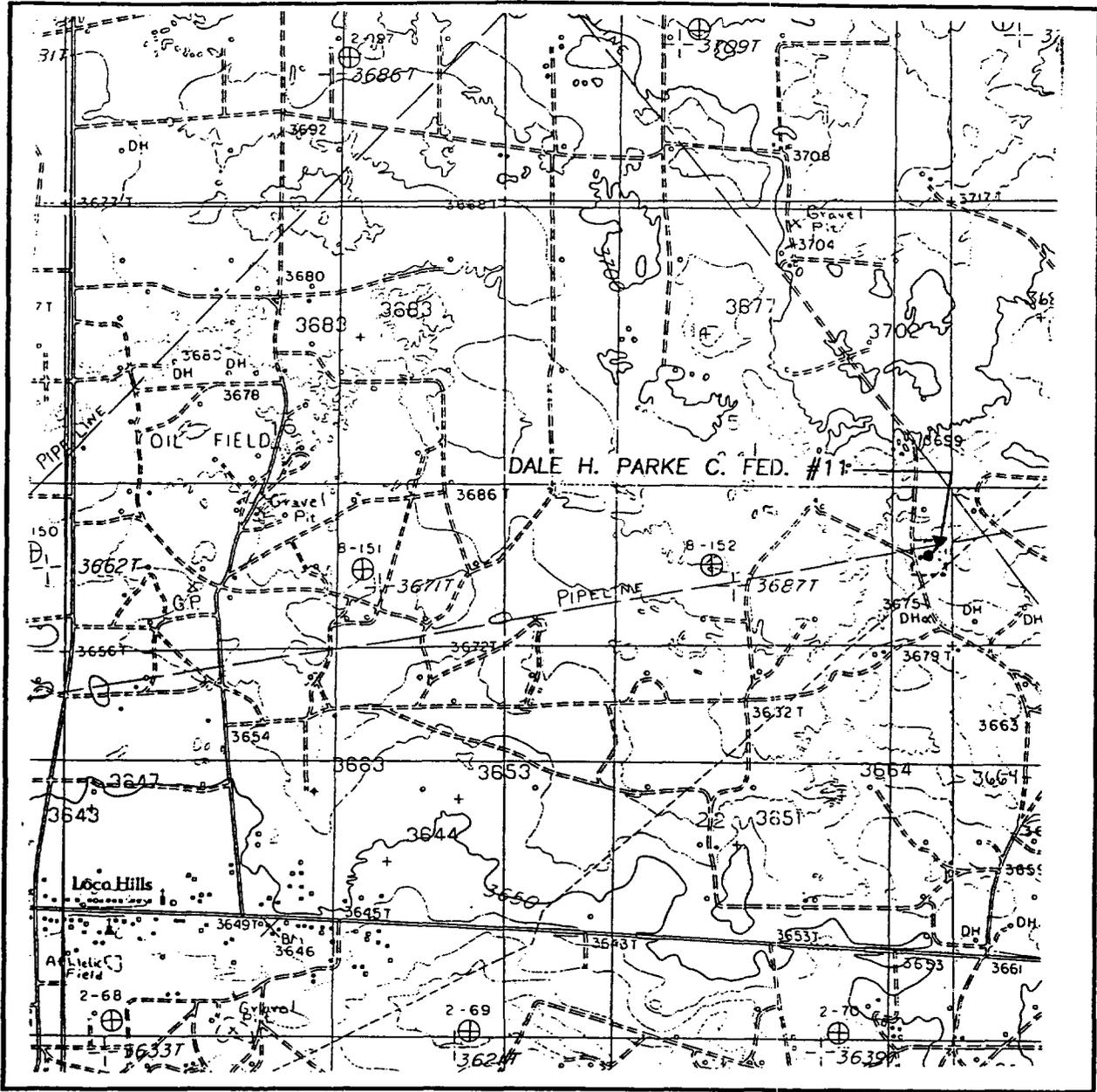
North



DALE H. PARKE "C"
FEDERAL No. 11
1070' FSL & 280' FEL
Section 15; T17S - R30E
Eddy County, New Mexico

Exhibit Four

LOCATION VERIFICATION MAP



SCALE: 1" = 2000'

CONTOUR INTERVAL:
LOCAL HILLS, N.M. - 10'

SEC. 15 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1070' FSL & 280' FEL

ELEVATION 3689

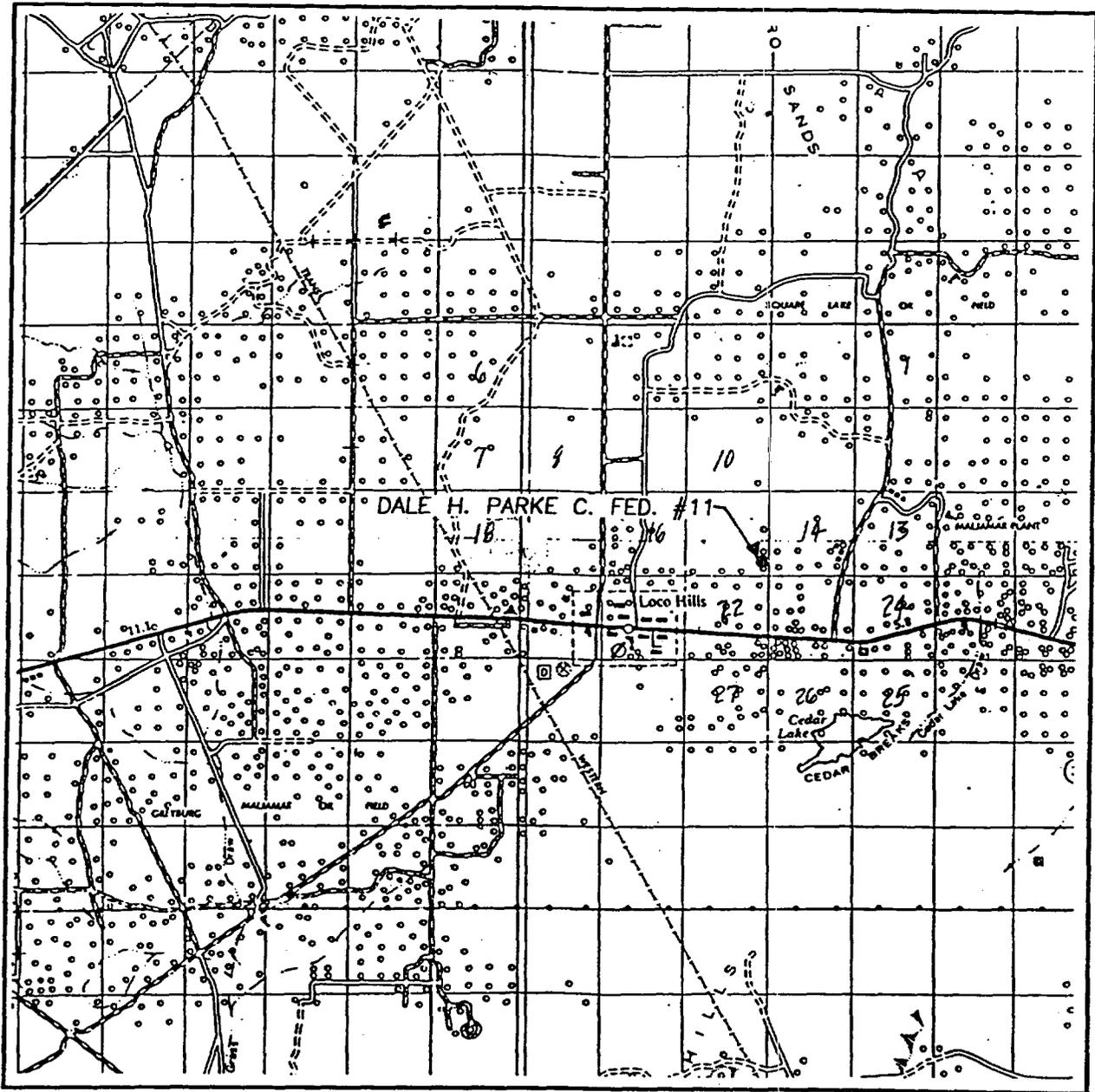
OPERATOR PREMIER OIL & GAS, INC.

LEASE DALE H. PARKE C. FED.

U.S.G.S. TOPOGRAPHIC MAP
LOCAL HILLS, N.M.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)

VICINITY MAP



SCALE: 1" = 2 MILES

SEC. 15 TWP. 17-S RGE. 30-E

SURVEY N.M.P.M.

COUNTY EDDY

DESCRIPTION 1070' FSL & 280' FEL

ELEVATION 3689

OPERATOR PREMIER OIL & GAS, INC.

LEASE DALE H. PARKE C. FED.

JOHN WEST SURVEYING
HOBBS, NEW MEXICO
(505 393-3117)