

Arrant, Bryan

From: Kenneth Jones [ken_jones77@hotmail.com]
Sent: Sunday, March 07, 2004 8:20 PM
To: BARRANT@state.nm.us
Cc: ken_jones77@Hotmail.com

Re: Eaglette #1 H2S Contingency Plan

Dear Brian,

Premier Oil & Gas is requesting to not have a H2S Contingency Plan for our Eaglette #1 in which the primary zones are the Yates/Seven Rivers formations.

My research is based upon other Yates/Seven Rivers pools in the area since the Eaglette will be a wildcat well. I studied the nearest three pools for both the Yates and the Seven Rivers formations.

The nearest Yates pools are the Cedar Hills, Saladar and Russell. The cum oil productions for these three pools is approximately three million barrels while the cum gas production is about ten million cubic feet of gas. Thus, the GOR average is about 4 cubic feet per barrel.

The nearest three Seven Rivers pools are McMillian, East McMillian and Dos Hermanos. The cum oil production is approximately two million barrels while the cum gas production is about 4 million cubic feet. Thus the GOR is about 2 cubic feet per barrel. Hence, all six reservoirs produced virtually no gas.

To supplement this data, the mudlog for our FV #4 which was drilled on the same 40 acres as the Eaglette #1 will be drilled showed strong oil shows with no apparent gas shows.

Based on this information, Premier is requesting an exemption for Rule 118 as to an H2S Contingency Plan.

Please feel free to contact me @ 214-543-3688 if you should require further information.

Sincerely,
Kenneth C. Jones

30-015-33255

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