

P REMIER OIL AND GAS, INC.

July 24, 2000

State of New Mexico
Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505

JUL 26 2000

RE: Non-Standard Location Application
Dale H. Parke "A" Tract 1 No. 26
A - Section 22-17S-30E
API #30-015-31202

Gentlemen:

Premier Oil and Gas respectfully requests review of the enclosed Application for a non standard location. The above referenced well is located at 1026' from the north line and 953' from the east line. A standard location placed the well pad over an existing Texas-New Mexico pipeline. The location was moved to the closest yet safest spots away from the pipeline. This move resulted in a non standard location by thirty-six feet. A move to the west side of the pipeline would have placed the location at approximately 865' from the north line and 1230' from the east line. As you will notice, this is severely unorthodox by 240 feet. Although a move to the west side would affect our own offsets, it would place the No. 26 well bore too close to the No. 22 well bore. Given that it is not always an option, Premier, as a practice, prefers to space our wells 933' apart. Reserve estimates support this practice in this area for the initial production. This move would result in 782' between the numbers 22 and 26 wells. A move to the east side of the pipeline left adequate distance between well bores, but the affected proration units are owned by a different operator. In

this case, the affected party was Marbob Energy Corporation, of which a waiver was obtained and is attached as part of this Application.

To aid in your review of this Application, the following are attached in triplicate:

NMOCD Form C-102

- Exhibit one - Topographical Plat showing location of pipeline
- Exhibit two - Plat showing offsetting proration units and ownership
- Exhibit three - Plat showing well spacing
- Exhibit four - Plat of location lay out
- Copy of Waiver

Premier Oil and Gas wishes to drill and produce the Dale H. Parke "A" Tract I No. 26 at the non standard location of 1026' FNL and 953' FEL in Section 22 of Township 17 South, Range 30 East. Using the information provided to you and upon completion of your review, Premier would respectfully request NMOCD grant approval for this location.

Thank you and your staff for your assistance with this Application.

Sincerely,



Rosalie Jones
President

RJ/mm

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, 1984
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer 88, Artesia, NM 88211-0719

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

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

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 26
OGRID No. 17985	Operator Name PREMIER OIL & GAS, INC.	Elevation 3669

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
A	22	17 S	30 E		1026	NORTH	953	EAST	EDDY

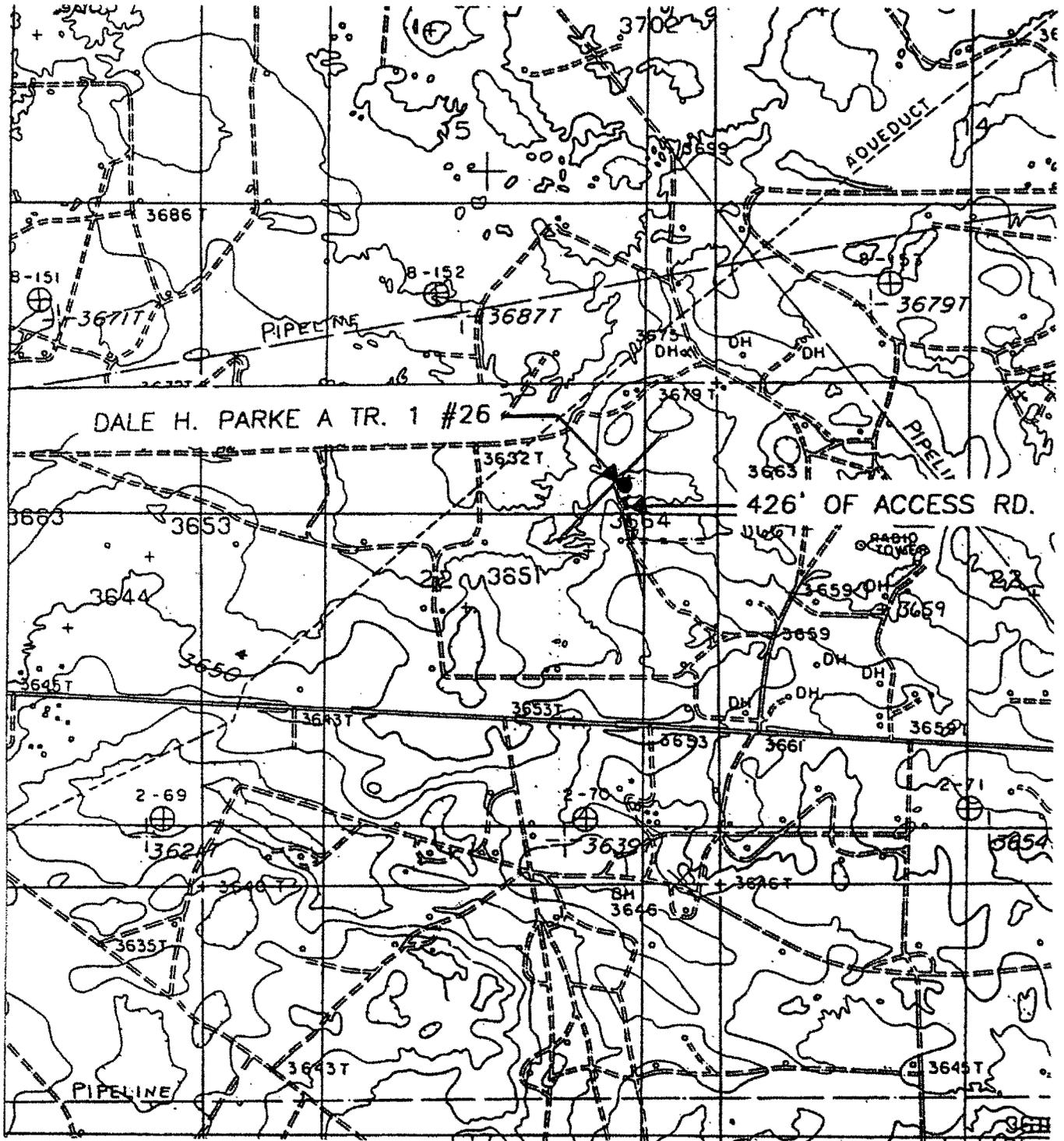
Bottom Hole Location If Different From Surface

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.
40			

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>DETAIL SEE DETAIL</p>	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Rosalie Jones</i> Signature</p> <p>ROSALIE JONES Printed Name</p> <p>PRESIDENT Title</p> <p>5/2/00 Date</p>
			<p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>JANUARY 31, 2000</p> <p>Date Surveyed _____ DC</p> <p>Signature & Seal of Professional Surveyor</p> <p><i>Ronald E. Eidsen</i> 3239 00-11-01</p> <p>Certificates No. RONALD EIDSON 3239 CARL EIDSON 12841 MCCOON-McDONALD 12185</p>



CONTOUR INTERVAL:
 LOCO HILLS - 10'

TEX-NEW MEX PIPELINE SHOWN IN RED

SEC. 22 TWP. 17-S RGE. 30-E

SURVEY _____ N.M.P.M.

COUNTY _____ EDDY

DESCRIPTION 1026' FNL & 953' FEL

ELEVATION _____ 3669

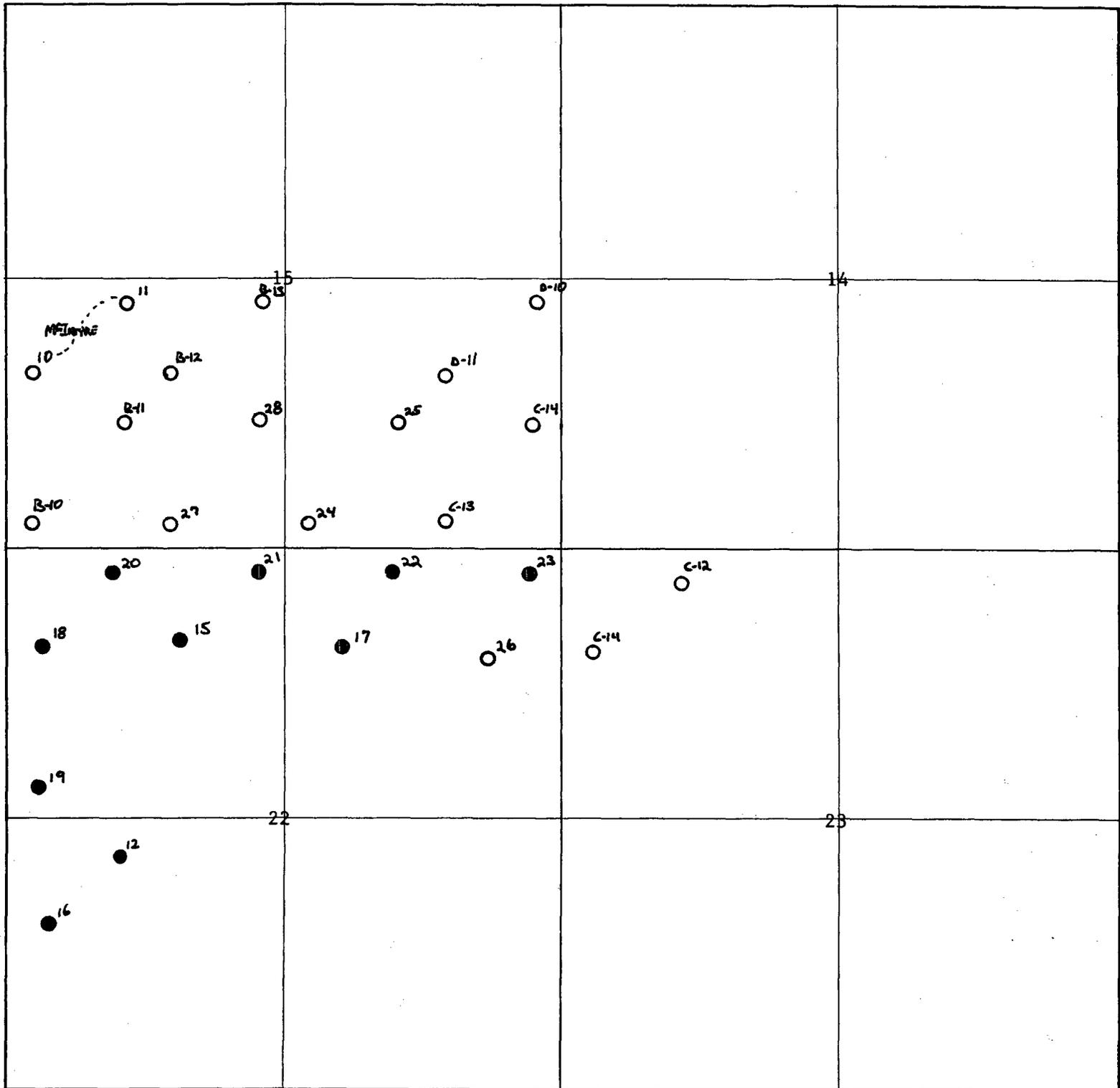
OPERATOR PREMIER OIL & GAS, INC.

LEASE _____ DALE H. PARKE A TR. 1

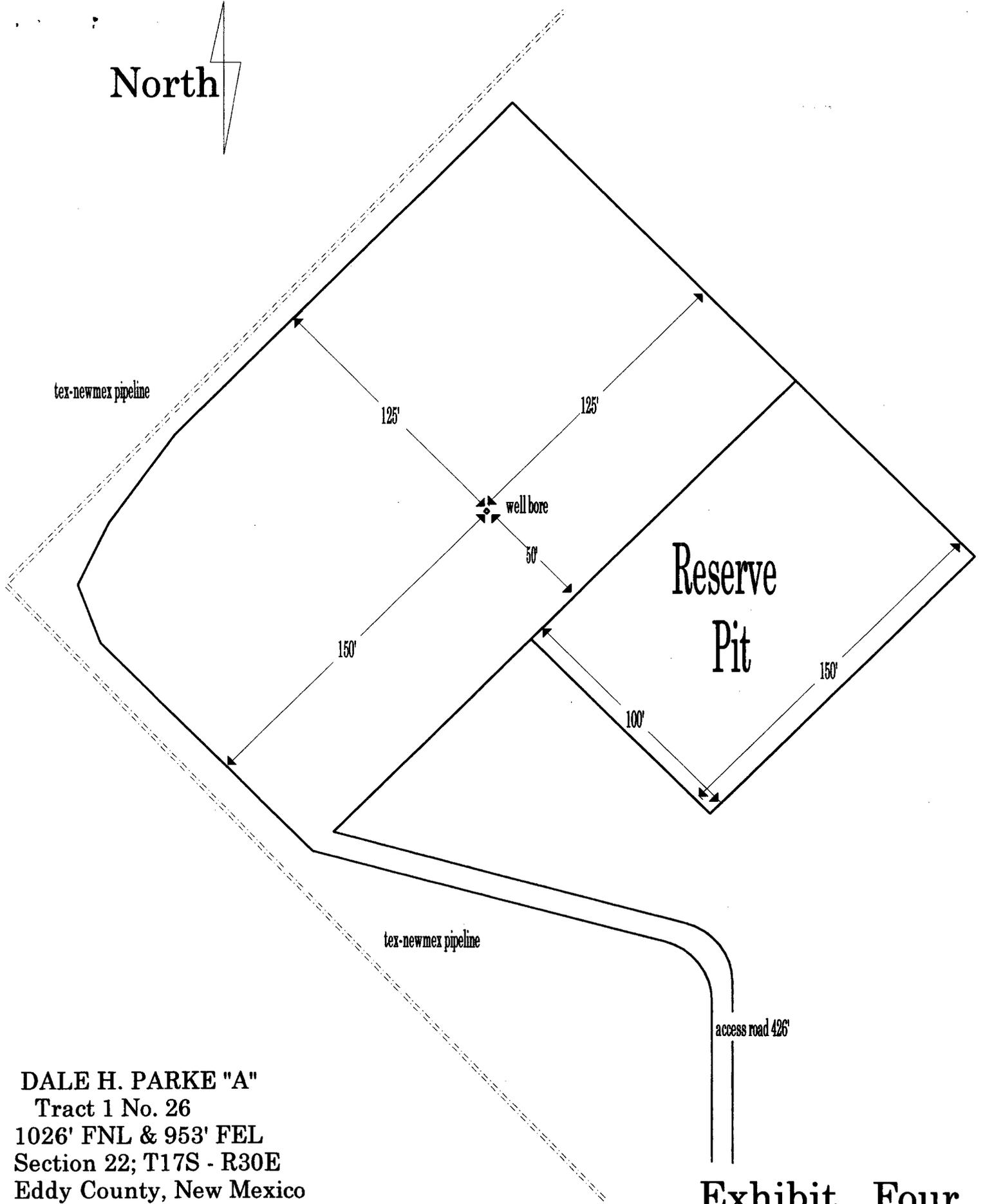
U.S.G.S. TOPOGRAPHIC MAP

EXHIBIT ONE

PLAT SHOWING PREMIER O&G WELLSPOT PLACING
(Loco Hills Paddock Pool Only)



North



DALE H. PARKE "A"
Tract 1 No. 26
1026' FNL & 953' FEL
Section 22; T17S - R30E
Eddy County, New Mexico

Exhibit Four

PREMIER OIL AND GAS, INC.

July 24, 2000

Marbob Energy Corporation
Post Office Box 227
Artesia, New Mexico 88211-0227

RE: Dale H. Parke "A" Tract 1 No. 26
1026' FNL and 953' FEL
A - Section 22-17S-30E
Eddy County, New Mexico

Gentlemen:

Premier Oil and Gas wishes to drill the above referenced well at the non standard location shown above. When originally staked, the well pad would have encroached upon an existing Texas-New Mexico crude pipeline. Premier had the location moved to a safe distance away from said pipeline resulting in an unorthodox location. Marbob Energy Corporation is owner of the Yeso rights in the affected offsetting proration units.

Premier Oil and Gas has prepared Application for Administrative Approval for this location. As per NMOCD regulations, Marbob Energy has fifteen days upon receipt of this letter to file an objection with the NMOCD. We would respectfully request a waiver for this location, which is

encroached on your interest by thirty-six feet. A copy of the Application is enclosed to aid in your decision. If you wish to waive any objections to the above referenced location, simply indicate below and we will provide NMOCD with a copy of such.

Please do not hesitate to contact me with any questions.

Sincerely,



Rosalie Jones
President

RJ/mm

Marbob Energy Corporation has no objection to the location as described in this letter:

By: John R. Gray
JOHN R. GRAY

Title: PRESIDENT

Date: 7-24-2000

CMD :
OG6IWCM

ONGARD
INQUIRE WELL COMPLETIONS

07/28/00 17:22:05
OGOMES -TPL3

API Well No : 30 15 30738 Eff Date : 11-18-1999 WC Status : A
Pool Idn : 96718 LOCO HILLS; PADDOCK
OGRID Idn : 17985 PREMIER OIL & GAS INC
Prop Idn : 9374 DALE H PARKE A TRACT 1

Well No : 023
GL Elevation: 3659

	U/L	Sec	Township	Range	North/South	East/West	Prop/Act (P/A)
B.H. Locn	: A	22	17S	30E	FTG 330 F N	FTG 330 F E	P

Lot Identifier:

Dedicated Acre: 40.00

Lease Type : F

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

E6317: No more recs. for this api well no.

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

CMD : ONGARD 07/28/00 17:22:20
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPL3

OGRID Idn : 17985 API Well No: 30 15 31202 APD Status(A/C/P): A
Opr Name, Addr: PREMIER OIL & GAS INC Aprvl/Cncl Date : 06-20-2000
PO BOX 1246
ARTESIA,NM 88210

Prop Idn: 9374 DALE H PARKE A TRACT 1 Well No: 26

	U/L	Sec	Township	Range	Lot Idn	North/South	East/West
Surface Locn	: A	22	17S	30E		FTG 1026 F N	FTG 953 F E
OCD U/L	: A		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) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 3669

State Lease No: Multiple Comp (S/M/C) : S
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

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/28/00 17:21:47
OGOMES -TPL3
PAGE NO: 1

Sec : 22 Twp : 17S Rng : 30E Section Type : NORMAL

D 40.00 Federal owned A A A	C 40.00 Federal owned A A A	B 40.00 Federal owned A A A A	A 40.00 Federal owned A A A
E 40.00 Federal owned A A	F 40.00 Federal owned A A A A	G 40.00 Federal owned A A	H 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 :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

07/28/00 17:28:10
OGOMES -TPL3
PAGE NO: 2

Sec : 22 Twp : 17S Rng : 30E Section Type : NORMAL

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

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