District I					State o	of New Mex	vico				E . C 101	
1625 N. French Dr., Hobbs, NM 88240 District II				Er	Energy Minerals and Natural Resources						Form C-101 May 27, 2004	
1301 W. Grand Avenue, Artesia, NM 88210				r	Oil Concernation District Office							
District III 1000 Rio Brazos Road, Aztec, NM 87410					Oil Conservation Division RECEIVED ^{Submit to appropriate District Office} 1220 South St. Francis Dr.							
<u>District IV</u> 1220 S. St. Fr					Santa Fe, NM 87505 MAR 1 6 2005							
APPL	ICATI	ON FC	DR PERMIT	<u>TO D</u>	RILL, RE-I	ENTER, DI	EEPEN	N, PLUGBA	CK, OR	AD	D A ZONE	
Premier Oil & Gas, Inc.					117985				² OGRID Number			
P.O. Box 1246, Artesia, NM 8 Property Code					1246 Property 1	12ma	30_015-31401 ^{I Number}					
riope	ny Code		Eddy FV	State	• •	Valle	5					
° Proposed Pool I Avalon Delaware							¹⁰ Proposed Pool 2					
11041011	DCLawe				⁷ Surface	ce Location						
UL or lot no.			Lot Idn Feet from the			outh line			line	County		
<u>M</u>	25			bsed Bottom Hole Location If					West	lest Eddy		
UL or lot no.						North/South line Feet from the East/West line County				County		
				Δ.	lditional We	Il Informati						
¹¹ Work	Type Code		¹² Well Type Co		¹³ Cable		¹⁴ Lease Type Code		¹⁵ Ground Level Elevation			
<u>Р</u>	ultiple		O 17 Proposed Dep	pth ¹⁸ Formation		nation		S ¹⁹ Contractor	GL	GL 3287'		
No		4	646'		Delawar	ce	L	(²⁰ Spud Date 03/21/05		
Depth to Grou	ndwater			Distanc	e from nearest fres	h water well				ater		
Pit: Liner: NO PIT	Synthetic		mils thick Clay	Pit V	olume:bbls		rillin <u>g Met</u>					
Close	d-Loop Syst	tem	2	Propos	and Cosing a			Brine Die	sel/Oil-base		<u>Gas/Air [_]</u>	
Hole S	ine				Proposed Casing and Cement Progr Casing weight/foot Setting Depth			Sacks of Cement Estimated TOC				
17-1/2			asing Size -3/8		H-40	516'.			575		surface	
12-1/4		8-5/8		32 ∦ J-55		2500'	2500'			surface 6830'		
7-7/8		5	-1/2	17 <u>#</u> L-80&15.5#J-55		55 11,450	<u></u>	975		683	i0'	
		N	O NEW CASI	NG								
			If this application rogram, if any. Us				a on the p	resent productive zo	one and pro	posed r	new productive zone.	
			0			•	`9900 '	w/35' cem	ent.			
 Pressure test casing to 1000 PSI for 30 min. Perforate 5100 w/4 shots. Break circulation & circulate with mud flush. 												
4. Cement 5-1/2" csg from 5100' to 2400' (100' inside 8-5/8" intermediate csg) w/330sx Super H + 180sx Premium Plus cement.												
5. Run Cement Bond Log + Collar Locator Log Submit; Conditions of a pproval												
 Perforate 4640-46' & 4300'36' w/20 shots. Acidize w/2500 gals 7.5% HCL NEFE. Frac if needed 												
			on given above is	true and co	omplete to the	HA-						
²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be							OIL CONSERVATION DIVISION					
constructed according to NMOCD guidelines , a general permit , or an (attached) alternative OCD-approved plan .						Approved by:			W. GU			
Printed name: Losalie Jones Rosalie Jones						Title: DISTRICT II SUPERVISOR						
Title: President						Approval Date	IAR 1	6 2005 E	piration D	aMAF	1 6 2006	
E-mail Address:												
Date: 03/16/05 Phone: 505-748-2093					Conditions of Approval Attached							
	10	3e' (ement	plus.	0 Wolt	Camp	8600	1				

District I 1625 N. French Dr., Hobbs, NM 88240 District II 1301 W. Grand Avenue, Artesia, NM 88210 District III 1000 Rio Brazos Rd., Aztec, NM 87410 District IV 1220 S. St. Francis Dr., Santa Fe, NM 87505

State of New Mexico Energy, Minerals & Natural Resources Department OIL CONSERVATION DIVISION 1220 South St. Francis Dr. Santa Fe, NM 87505

Form C-102 Revised June 10, 2003 Submit to Appropriate District Office State Lease - 4 Copies Fee Lease - 3 Copies

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

	+		² Paol Code	2	' Pool Name						
30-015-3	31401		Avalon Delaware								
⁴ Property (Code	Eddv	FV Sta	5	[°] Well Number 5						
'ogrid 17985	No.		er Oil	GL 32	'Elevation GL 3287'						
					¹⁰ Surface	Location					
UL or lot no.	Section	Township	Range	Lot Idn		North/South line	Feet from the	East/West line	e County		
М	25	20S	27E		660	South	810	West	Eddy		
			¹¹ Bo	ottom Ho	le Location I	f Different From	n Surface	· · · · · · · · · · · · · · · · · · ·			
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	e County		
¹² Dedicated Acres	Joint or	Infill ¹⁴ C	onsolidation	Code ¹⁵ Or	der No.				4		

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

STATE OF NM			¹⁷ OPERATOR CERTIFICATION I hereby certify that the information contained herein
Lease #K-6527			is true and complete to the best of my knowledge and
			Bosalie Jones
			Signature
			Rosalie Jones Printed Name
			President Title and E-mail Address
			03/16/05
			Date
			¹⁸ SURVEYOR CERTIFICATION 1 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	Date of Survey
			Signature and Seal of Professional Surveyor:
810'			
60			Certificate Number
3			





Attn: Bryan Arrant OCD – Artesia Office

Re: H2S Contingency Plan for FV #5 Sec 25- 20S-27E, Unit M

Dear Bryan,

Premier Oil & Gas Inc. is requesting an exemption to rule 18 (H2S Contingency Plan) for our Delaware recompletion of the FV #5. The nearest Delaware field is the Avalon Delaware Unit (ADU) which is located approximately ¾ of a mile from the unit boundary. The ADU produces sweet oil (no H2S) and associated gas without H2S. Premier is a working interest owner in the ADU. Furthermore the nearest public area (Lake Avalon) is over 2 miles away while the nearest county road is 4000ft from the well site.

Should you have any questions please feel free to contact me @ 748-2093.

Sincerely,

Kenneth Jones