

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

State of New Mexico
Energy Minerals and Natural Resources

Form C-101
June 16, 2008

Oil Conservation Division
1220 South St. Francis Dr.
Santa Fe, NM 87505

Submit to appropriate District Office

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

¹ Operator Name and Address Premier Oil & Gas Inc. PO BOX 1246 ARTESIA, NM 88211-1246		² OGRID Number 17985
		³ API Number 30 - 015 - 21813
⁴ Property Code 306203	⁵ Property Name STATE CU	⁶ Well No. 001
⁹ Proposed Pool 1 Salader, Upper Penn (Gas) <84413>		¹⁰ Proposed Pool 2

⁷ Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	36	20S	27E		660	N	1980	E	EDDY

⁸ Proposed 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

Additional Well Information

¹¹ Work Type Code A	¹² Well Type Code G	¹³ Cable/Rotary N/A	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation 3290
¹⁶ Multiple N	¹⁷ Proposed Depth N/A	¹⁸ Formation Cisco Canyon	¹⁹ Contractor N/A	²⁰ Spud Date N/A

²¹ Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2	13 3/8	48	595	500	CIRCULATED
12 1/4	8 5/8	24 & 32	3010	1300	CIRCULATED
7 7/8	5 1/2	17 & 20	11385	720	TOC @ ~8000'

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Propose to add perforations and test Upper Penn (Cisco Canyon) formation: 9,696' – 9,890'

Plug off Strawn perfs @ 10,068' – 10,077' with ~~free~~ plug set @ ~ 10,040'

COMPOSIT

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Daniel Jones

Title: Vice President

E-mail Address: dan.jones@premieroilgas.com

Date: 4/1/2011

Phone: 972-470-0228

OIL CONSERVATION DIVISION

Approved by:

Title:

Approval Date:

Expiration Date:

Conditions of Approval Attached ☐

DISTRICT I --- CHECKLIST FOR INTENTS TO DRILL

306203 Operator PREMIER OIL & GAS INC OGRID # 17985
 Well Name & # STATE CU # 001 Surface Type (F) (S) (P)
 Location: UL , Sect , Twnship s, RNG e, Sub-surface Type (F) (S) (P)

A. Date C101 rec'd / / C101 reviewed / /

B. 1. Check mark, Information is OK on Forms:

OGRID , BONDING , PROP CODE 91, WELL # , SIGNATURE

2. Inactive Well list as of: 4/5/4 # wells 91, # Inactive wells 1

a. District Grant APD but see number of inactive wells:

No letter required X; Sent Letter to Operator , to Santa Fe

3. Additional Bonding as of: 4/5/4

a. District Denial because operator needs addition bonding:

No Letter required X; Sent Letter to Operator , To Santa Fe

b. District Denial because of Inactive well list and Financial Assurance:

No Letter required X; Sent Letter to Operator , To Santa Fe

C. C102 YES , NO , Signature

1. Pool 3 ALVARADO UPPER PERM GAS Code 84413

a. Dedicated acreage 320 What Units N/A

b. SUR. Location Standard X; Non-Standard Location

c. Well shares acres: Yes , No X # of wells plus this well #

2. 2nd. Operator in same acreage, Yes , No X
 Agreement Letter , Disagreement letter

3. Intent to Directional Drill Yes , No X

a. Dedicated acreage , What Units

b. Bottomhole Location Standard , Non-Standard Bottomhole

4. Downhole Commingle: Yes , No X

a. Pool #2 , Code , Acres

Pool #3 , Code , Acres

Pool #4 , Code , Acres

5. POTASH Area Yes , No X

D. Blowout Preventer Yes , No need

E. H2S Yes , No need

F. C144 Pit Registration Yes , No need

G. Does APD require Santa Fe Approval:

1. Non-Standard Location: Yes , No X, NSL #

2. Non-Standard Proration: Yes , No X, NSP #

3. Simultaneous Dedication: Yes , No X, SD #

Number of wells Plus #

4. Injection order Yes , No X; PMX # or WFX #

5. SWD order Yes , NO X; SWD #

6. DHC from SF ; DHC-HOB ; Holding

7. OCD Approval Date / /

API #30-014-- 21813

8. Reviewers