

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

PREMIER OIL AND GAS, INC.

3a. Area Code & Phone No.

505/748-2093

3. ADDRESS OF OPERATOR

P.O. BOX 1246, ARTESIA, NM 88211

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

2310 FSL 990 FWL

At proposed prod. zone

SAME

Unit L

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

EAST OF ARTESIA ON HWY 82 APPROX 27.1 MILES

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

990'

16. NO. OF ACRES IN LEASE

320

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.)

3647' GR

22. APPROX. DATE WORK WILL START*

SEPTEMBER 15, 1998

PROPOSED CASING AND CEMENTING PROGRAM

HOLE SIZE	CASING SIZE	WEIGHT/FOOT	GRADE	THREAD TYPE	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	J-55	LTC	350'	WILL CIRCULATE
7 7/8"	5 1/2"	17#	J-55	LTC	6000'	SUFFICIENTLY COVER ALL OIL & GAS HORIZONS

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

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

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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.

SIGNED [Signature]

TITLE PRESIDENT

DATE 8/13/98

(This space for Federal or State office use)

PERMIT NO. _____

APPROVAL DATE _____

APPROVED BY [Signature]

Acting Assistant Field Office Manager,

Lands and Minerals

DATE 10/7/98

CONDITIONS OF APPROVAL, IF ANY:

DISTRICT I
P.O. Box 1990, Hobbs, NM 88241-1990

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

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

DISTRICT IV
P.O. Box 2086, Santa Fe, NM 87504-2086

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 PARKE A FEDERAL	Well Number 1
OGRID No. 17985	Operator Name PREMIER OIL & GAS INC.	Elevation 3647

Surface Location

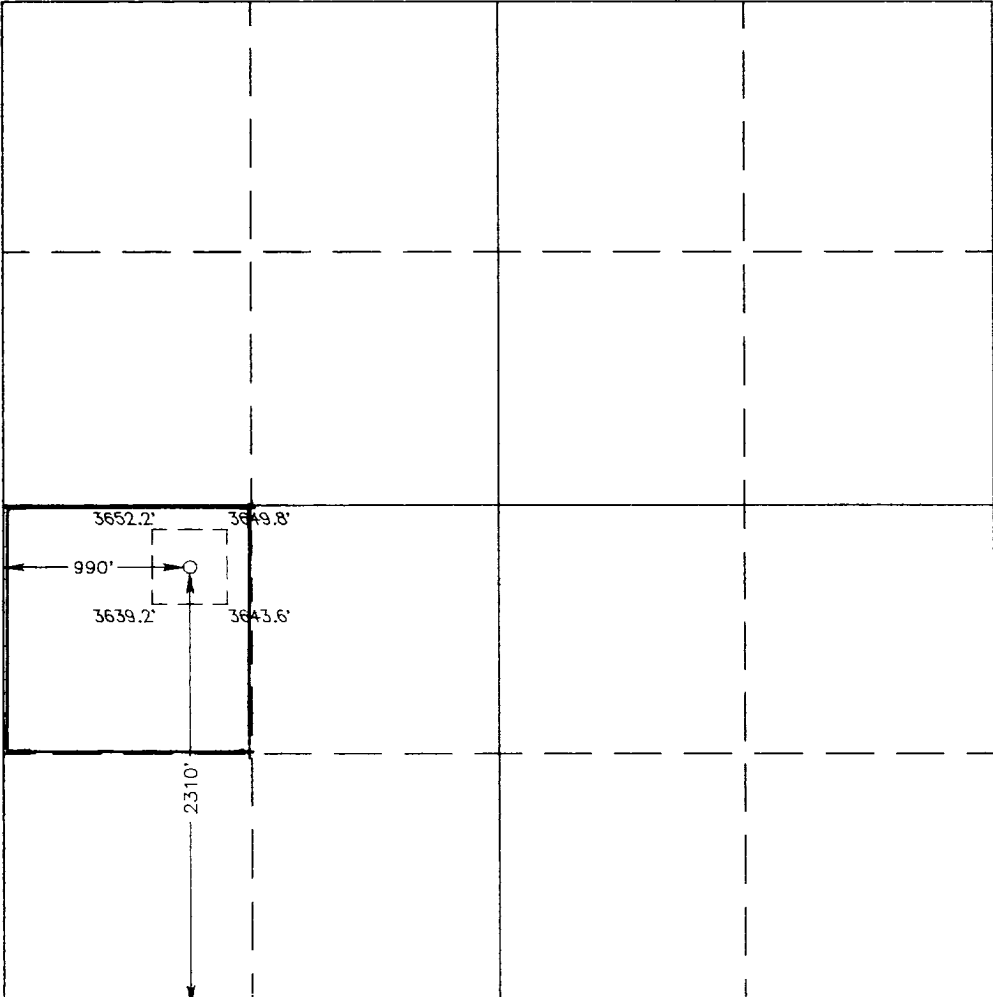
UL or lot No. L	Section 22	Township 17 S	Range 30 E	Lot Idn	Feet from the 2310	North/South line SOUTH	Feet from the 990	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
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Dedicated Acres 40	Joint or Infill	Consolidation Code	Order No.
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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

	<h4>OPERATOR CERTIFICATION</h4> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><u>Rosalie Jones</u> Signature</p> <p><u>ROSALIE JONES</u> Printed Name</p> <p><u>PRESIDENT</u> Title</p> <p><u>8/13/98</u> Date</p> <h4>SURVEYOR CERTIFICATION</h4> <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><u>AUGUST 6, 1998</u> Date Surveyed</p> <p><u>CDG</u> Signature & Seal of Professional Surveyor</p> <p><u>W.D. Num. 98-11-1103</u> Certificate No.</p> <p><u>RONALD G. EDSON, 3239</u> GARY D. EDSON, 12641 SARON McDONALD, 12185</p>
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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

1 S. Street
Artesia, NM

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other		5. Lease Serial No. NM-0467930
2. Name of Operator PREMIER OIL AND GAS, INC.		6. If Indian, Allottee or Tribe Name
3a. Address P.O. BOX 1246, ARTESIA, NM 88210	3b. Phone No. (include area code) (505) 748-2093	7. If Unit or CA/Agreement, Name and/or No.
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2310 FSL 990 FEL, SEC. 22-T17S-R30E UNIT L		8. Well Name and No. PARKE "A" FEDERAL #12
		9. API Well No.
		10. Field and Pool, or Exploratory Area LOCO HILLS PADDOCK
		11. County or Parish, State EDDY CO., NM

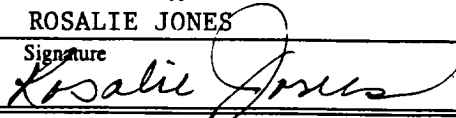
12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>CHANGE WELL</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>NAME</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

CHANGE NAME OF WELL TO: PARKE "A" FEDERAL #12

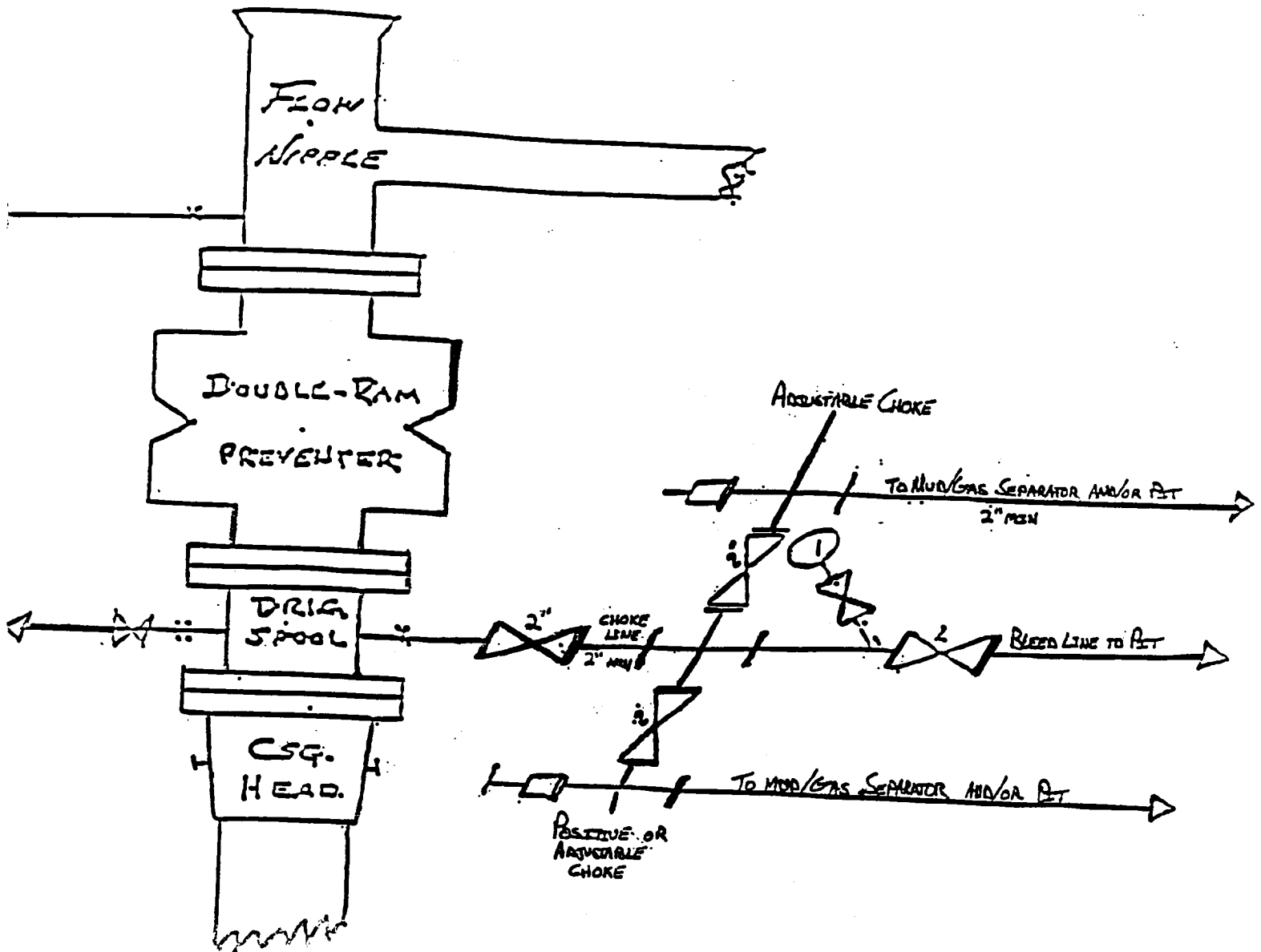
FROM: PARKE "A" FEDERAL #1

14. I hereby certify that the foregoing is true and correct	
Name (Printed/Typed) ROSALIE JONES	Title PRESIDENT
Signature 	Date 8/26/98

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by (ORIG. SGD.) ARMANDO A. LOPEZ	Acting Assistant Field Office Manager, Lands and Minerals	Date 10/7/98
Conditions of approval, if any, are attached. Approval of this notice 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.		Office

BLOW OUT PREVENTER AND CHOKE MANIFOLD



PREMIER OIL & GAS INC.

Parke "A" Federal # 1
2310' FSL & 990' FWL
Section 22; T17s -- R30e
Eddy County, New Mexico

Exhibit # 1

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

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.