

[Handwritten signature]

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210-2

SUBMIT IN *[Handwritten: 2]* COPIES
(Other instructions on reverse side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

721

5. LEASE DESIGNATION AND SERIAL NO.
NM-0467930

6. IF INDIAN ALLOTTEE OR TRIBE NAME

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☐

MULTIPLE ZONE ☐

7. UNIT AGREEMENT NAME

9374

8. FARM OR LEASE NAME, WELL NO.

DALE H PARKE "A" TR 1 #21

9. API WELL NO.

30-015-30730

10. FIELD AND POOL, OR WILDCAT

LOCO HILLS PADDOCK

96718

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

SEC. 22-T17S-R30E

12. COUNTY OR PARISH

EDDY

13. STATE

NM

2. NAME OF OPERATOR

PREMIER OIL & GAS, INC.

17985

3. ADDRESS AND TELEPHONE NO.

P.O. BOX 1246, ARTESIA, NM 88210 505-748-2093

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

At surface 330 FNL 2310 FWL

At proposed prod. zone

SAME

Unit C

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

EAST OF LOCO HILLS ON US 82 APPROX 1.3 MILES

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT
(Also to nearest drg. unit line, if any)

330'

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.)

3678' GR

22. APPROX. DATE WORK WILL START*

08/15/99

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	J-55 <i>8 1/2"</i>	24#	425'	300 SX, CIRC
7 7/8"	J-55 <i>5 1/2"</i>	17#	6000'	SUFFICIENT TO COVER 200' ABOVE ALL KNOWN O&G HORIZONS

*Post ID-1
8-26-99
API & LOC*

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

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



IN ABOVE SPACE DESCRIBE PROGRAM: If proposal is to deepen, 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.

24.

SIGNED

Rosalie Jones

TITLE PRESIDENT

DATE 07/15/99

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

Application approval 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
CONDITIONS OF APPROVAL, IF ANY:

Acting

/S/LARRY D. BRAY

Assistant Field Office Manager,
Lands and Minerals

AUG 16 1999

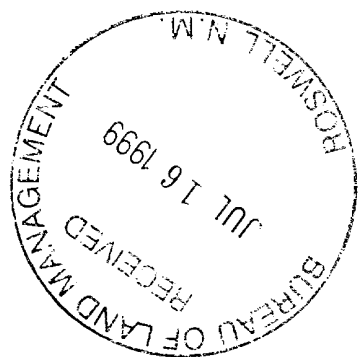
APPROVED BY

TITLE

DATE

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations or to any matter within its jurisdiction.



DISTRICT I
P.O. Box 1960, Hobbs, NM 88241-1960

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

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

DISTRICT IV
P.O. Box 2088, Santa Fe, NM 87504-2088

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

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 21
OGRID No. 17985	Operator Name PREMIER OIL & GAS INC.	Elevation 3678

Surface Location

UL or lot No. C	Section 22	Township 17 S	Range 30 E	Lot Idn	Feet from the 330	North/South line NORTH	Feet from the 2310	East/West line WEST	County 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 40	Joint or Infill	Consolidation Code	Order No.						

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>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 ROSALIE JONES Printed Name PRESIDENT Title 7/14/99 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>JULY 1, 1999 Date Surveyed Signature of Real Estate Professional Surveyor RONALD J. EIDSON NEW MEXICO 7-12-99 W.G. No. 99-115566 Certificate No. RONALD J. EIDSON, 3239 GARY EIDSON, 12641 MAGNUS McDONALD, 12185</p>
--	---

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.