Form 3160-3
(July 1992)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

·SUBMIT IN TRIPLICATE·
(Other instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO
LC 029020C

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL X DEEPEN ☐

b. TYPE OF WELL: OIL WELL X GAS WELL ☐ OTHER SINGLE ZONE ☐ MULTIPLE ZONE ☐

7. UNIT AGREEMENT NAME
9378

8. FARM OR LEASE NAME, WELL NO.
DALE H PARKE "C" FED #12

2. NAME OF OPERATOR
PREMIER OIL & GAS, INC 17985

9. API WELL NO.
30-015-31099

3. ADDRESS AND TELEPHONE NO.
P.O. BOX 1246, ARTESIA, NM 88210 505-748-2093

10. FIELD AND POOL, OR WILDCAT
LOCO HILLS PADDOCK

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 495 FNL 990 FWL
At proposed prod. zone SAME Unit D

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 23-T17S-R30E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
EAST OF LOCO HILLS ON US 82 APPX 1.3 MILES

12. COUNTY OR PARISH: EDDY
13. STATE: NM

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT (Also to nearest drlg. unit line, if any): 495'

16. NO. OF ACRES IN LEASE: 80

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.): 3664'

ROSWELL CONTROLLED WATER BASIN

22. APPROX. DATE WORK WILL START*
03/10/00

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, 8 5/8"	24#	425'	300 SX, CIRC WITNESS
7 7/8"	J-55, 5 1/2"	17#	6000'	SUFFICIENT TO COVER 200' ABOVE ALL KNOWN O&G HORIZONS

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

RECEIVED
FEB 2000
OCD - ARTESIA

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

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 02/09/00

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

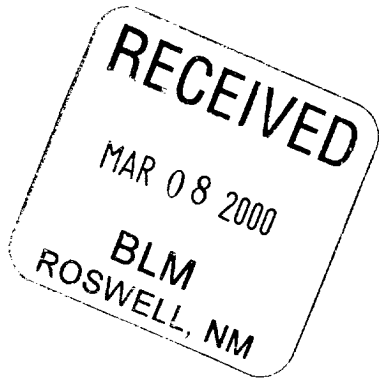
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

Assistant Field Manager,
Lands And Minerals

APPROVED BY _____ TITLE _____ DATE _____ 2000

*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 as to any matter within its jurisdiction.


RECEIVED
MAR 08 2000
BLM
ROSWELL, NM

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

DISTRICT II
P.O. Drawer DD, 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

State of New Mexico
Energy, Minerals and Natural Resources Departm

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	Pool Name
	96718	LOCO HILLS PADDOCK

Property Code	Property Name	Well Number
	DALE H. PARKE C. FED.	12

OGRID No.	Operator Name	Elevation
17985	PREMIER OIL & GAS, INC.	3664

Surface Location

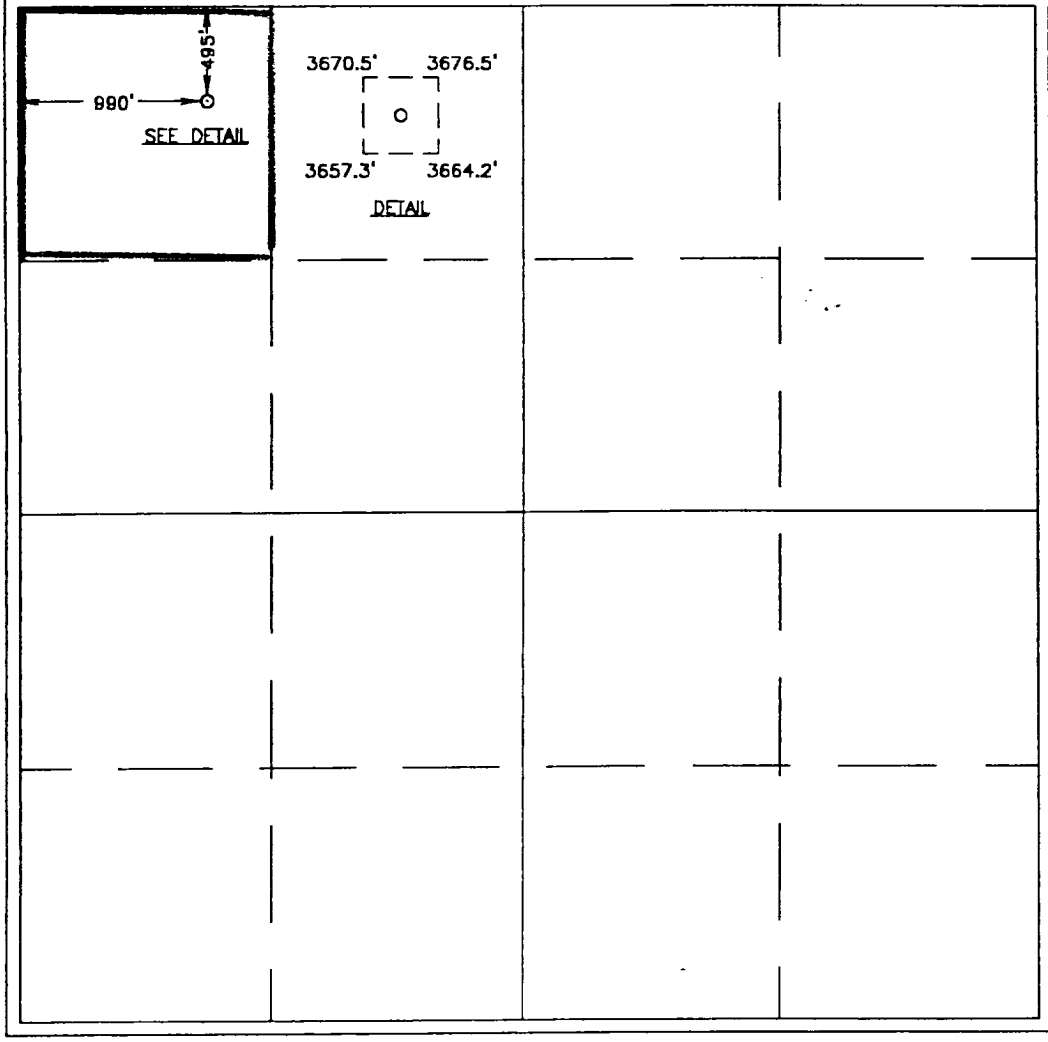
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
D	23	17 S	30E		495	NORTH	990	WEST	EDDY

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



OPERATOR CERTIFICATION

I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.

Signature
ROSALIE JONES

Printed Name
PRESIDENT

Title
2/9/00

Date

SURVEYOR CERTIFICATION

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 supervison, and that the same is true and correct to the best of my belief.

JANUARY 24, 2000

Date Surveyed LMP

Signature & Seal of Professional Surveyor

RONALD J. EIDSON
NEW MEXICO

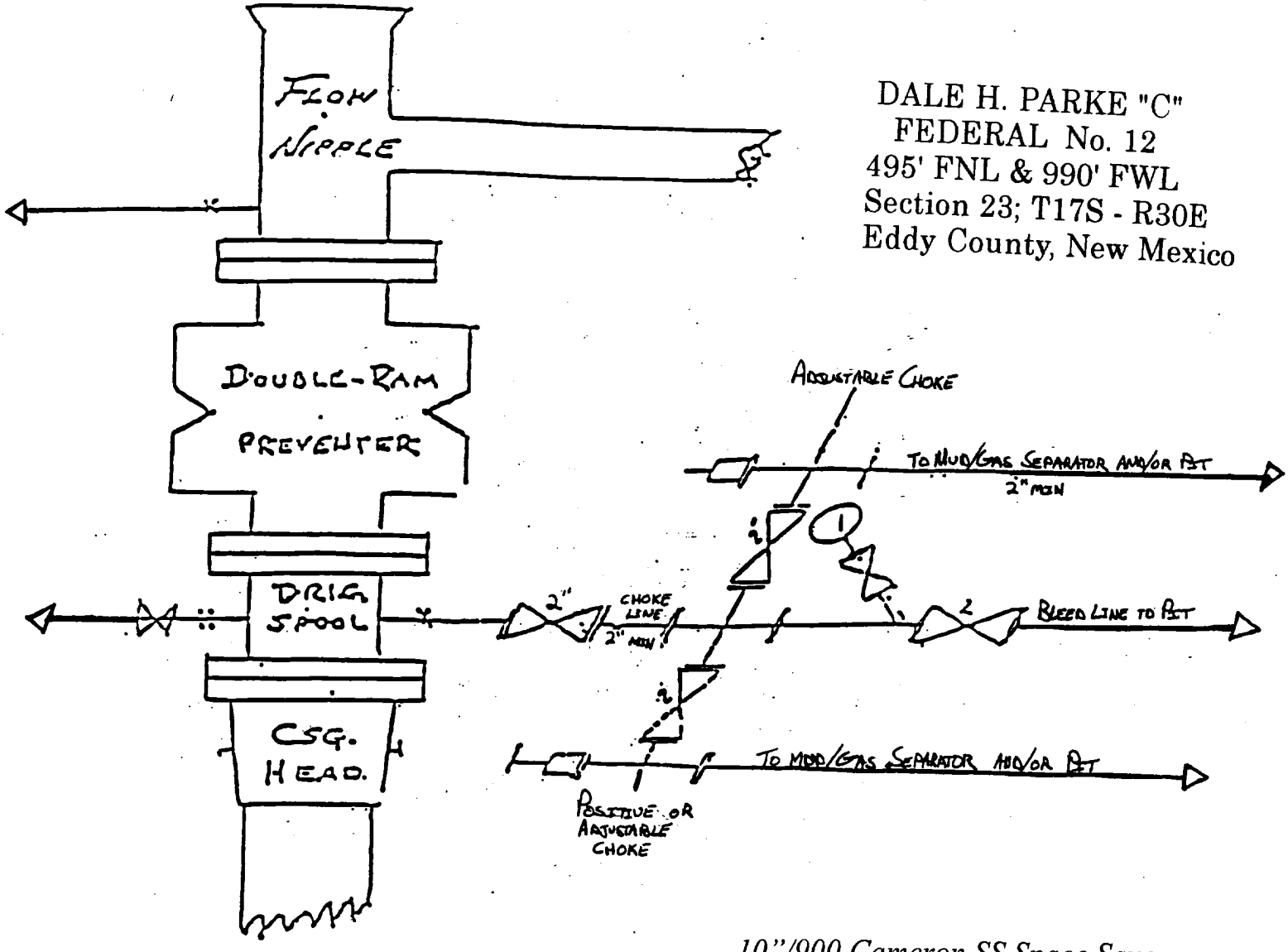
Ronald J. Eidson 1-27-2000

00-11-0067

Certificate No. RONALD J. EIDSON 3239
GARY EIDSON 12641
MACON McDONALD 12185

BLOW OUT PREVENTER
AND
CHOKE MANIFOLD

DALE H. PARKE "C"
FEDERAL No. 12
495' FNL & 990' FWL
Section 23; T17S - R30E
Eddy County, New Mexico



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

PREMIER OIL & GAS INC.

EXHIBIT 1

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.

DRILLING PROGRAM

Attached to Form 3160-3
Premier Oil and Gas, Inc.
Dale H. Parke "C" Federal No. 12
495' FNL and 990' FWL
Section 23-17S-30E
Eddy County, New Mexico

1. **Geologic Name of Surface Formation:**

   Permian

2. **Estimated Tops of Important Geologic Markers:**

Permian	Surface	Seven Rivers	1145'
Salt	475'	Queen	1815'
Base of Salt	780'	Grayburg	2140'
Yates	930'	San Andres	2510'
		Glorietta	3900'

3. **Estimated Depths of Anticipated Fresh Water, Oil or Gas:**

Upper Permian Sands	100'	Fresh Water
Yates	930'	Oil
Seven Rivers	1145'	Oil
Queen	1815'	Oil
Grayburg	2140'	Oil
San Andres	2510'	Oil
Glorietta	3900'	Oil

No other formations are expected to give up oil, gas, or fresh water in measurable quantities. The surface fresh water sands will be protected by setting 8 5/8 casing at 425' and circulating cement back to surface. Any shallower zones above TD which contain commercial quantities of oil and/or gas will have cement circulated across them by inserting a float shoe joint into the 5 1/2" production casing which will be run at TD.

4. **Casing Program:**

Hole Size	Interval	OD csg	Weight, Grade, Jt. Cond. Type
12 1/4"	0 - 425'	8 5/8"	24# J-55 LTC NEW R-3
7 7/8"	0 - TD	5 1/2"	17# J-55 LTC NEW R-3

Cement Program:

8 5/8" Surface Casing: Cemented to surface with 300sx of Class C w/2% cc.

5 1/2" Production Casing: Cemented to sufficiently cover 200' above all oil and gas horizons.

5. **Minimum Specifications for Pressure Control:**

The blowout preventer equipment (BOP) shown in Exhibit #1 will consist of a double ram-type (3000 psi wp) preventer. This unit will by hydraulically operated and the ram-type preventer will be equipped with blind rams on top and 4-1/2" drill pipe rams on bottom. This BOP will be nippled up on the 8 5/8" surface csg and used continuously until TD is reached. All BOP's and accessory equipment will be tested to 3000 psi before drilling out of surface casing.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked on each trip out of the hole. These checks will be noted on the daily tour sheets. A 2" kill line and a 3" choke line will be included in the drilling spool located below the ram-type BOP. Other accessories to the BOP equipment will include a kelly cock and floor safety valve (inside BOP) and choke lines and choke manifold with 3000 psi WP rating.

6. **Types and Characteristics of the Proposed Mud System:**

The well will be drilled to TD with cut brine. The applicable depths and properties of this system are as follows:

Depth	Type	Weight (ppg)	Viscosity (sec)	Waterloss (cc)
0 - 425'	Fresh Water (Spud)	8.5	28	N.C.
350'-6000'	Brine	9.8 - 10.2	40 - 45	N.C.

7. **Auxiliary Well Control and Monitoring Equipment:**

(A) A kelly cock will be kept in the drill string at all times.

(B) A full opening drill pipe stabbing valve (inside BOP) with proper drill pipe connections will be on the rig floor at all times.

8. **Logging, Testing, and Coring Program:**

(A) No Drillstem tests are anticipated.
(B) The electric logging program will consist of Dual Laterolog Micro SFL, Spectral Density Dual Spaced Neutron Csng Log, and Depth Control Log.
(C) No conventional coring is anticipated.
(D) Further testing procedures will be determined after the 5 1/2" production casing has been cemented at TD based on drill shows, and log evaluation, and drill stem test results.

9. **Abnormal Conditions, Pressures, Temperatures, & Potential Hazards:**

No abnormal pressures or temperatures are anticipated. The estimated bottom hole temperature (BHT) at TD is 105° and estimated bottom hole pressure (BHP) is 2218 psig.

10. **Anticipated Starting Date and Duration of Operations:**

Location and road work will not begin until approval has been received from the BLM. The anticipated spud date is April 7, 2000. Once commenced, the drilling operation should be finished in approximately 21 days. If the well is productive, an additional 30 to 60 days will be required for completion and testing before a decision is made to install permanent facilities.