

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OCD-ARTESIA

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

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.

5. Lease Serial No.
NMLC029020A

6. If Indian, Allottee or Tribe Name

SUBMIT IN TRIPLICATE - Other instructions on page 2.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator
Premier Oil & Gas Inc.

3a. Address
PO Box 1246
Artesia, NM 88211-1246

3b. Phone No. (include area code)
972-470-0228

7. If Unit of CA/Agreement, Name and/or No.

8. Well Name and No.
Dale H. Parke A Tract 2 #8

9. API Well No.
30-015-04161

10. Field and Pool or Exploratory Area
Grayburg - Jackson (SR,Q,GB,SA)

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 15, T17S, R30E
330 FSL, 2310 FWL

11. Country or Parish, State
Eddy County, NM

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

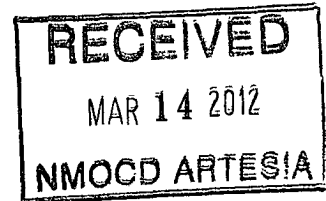
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> 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 type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<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 must 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 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

Premier Oil & Gas respectfully requests intent to perforate the Seven Rivers formation in the Dale H. Parke A Tract 2 #8.

Procedure:

- 1) RU Wireline and RIH with CIBP to 2780'. Dump 35' of cement on top of CIBP.
- 2) Pressure Test Casing to 2000 lbs.
- 3) Run gamma ray, casing collar, and cement log and determine TOC (~1950)
- 4) Perforate 4 holes above TOC.
- 5) RIH and set Cement Retainer and establish circulation.
- 6) Cmt to surface and circulate.
- 7) Perforate 20 shots in 7-Rivers formation @ 1680 - 1860. Test formation.



Approval Subject to General Requirements
& Special Stipulations Attached

Accepted for record
NMOCD

RDade 03/15/12

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

14 I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Daniel Jones

Title Vice President

Signature

Date 02/03/2012

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

PETROLEUM ENGINEER

Title

Office

APPROVED

MAR 13 2012

Date Ted Morgan

BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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

(Instructions on page 2)

**Dale H Parke A Tract 2 #8
30-015-04161
Premier Oil & Gas Inc
March 12, 2012
Conditions of Approval**

Notify BLM at 575-393-3612 a minimum of 24 hours prior to commencing work.

Work to be completed by September 30, 2012.

- 1. Surface disturbance beyond the originally approved pad must have prior approval.**
- 2. Closed loop system required.**
- 3. Operator to have H2S monitoring equipment on location and an H2S contingency plan in effect.**
- 4. A minimum of a 2000 (2M) BOP to be used. All blowout preventer (BOP) and related equipment (BOPE) shall comply with reasonable well control requirements. A two ram system with a blind ram and a pipe ram designed for the size of the work string shall be adequate. Tapered work strings will require an additional pipe ram. The manifold shall comply with Onshore Oil and Gas Order #2 Attachment I (2M Diagrams of Choke Manifold Equipment). The accumulator system shall have an immediately available power source to close the rams and retain 200 psi above pre-charge. The pre-charge test shall follow requirements in Onshore Order #2.**
- 5. Step 1 - The following is required to permanently plug back the well from the San Andres formation in compliance with BLM guidelines:
Step 1a - Set a balanced plug 50' below perforations at 3326' to 50' above liner top. Notify BLM to witness the tag. Spot mud laden fluid mixed using 25 sx of gel per 100 bbls of water over the interval from new PBTD up to 1950'.**
- 6. Step 2 - OK**
- 7. Step 3 - OK. Electronic copies of all logs run are to be provided to BLM Petroleum Engineering. PDF format submitted by email is sufficient.**
- 8. Step 4 - OK.**
- 9. Step 5 - Use packer, establish injection rate prior to setting retainer.**
- 10. Step 6 - OK. Notify BLM to witness the tag after squeezing.**
- 11. Step 7 - OK. (Operator states intention to utilize logs of offset wells for depth correlation. Subject well shares the pad with newly drilled well Dale H Parke A Tract 2 #30.)**
- 12. All waste (i.e. drilling fluids, trash, salts, chemicals, sewage, gray water, etc.) created as a result of workover operations shall be safely contained and disposed of properly at a waste disposal facility. No waste material or fluid shall be disposed of on the well location or surrounding area.**
- 13. Porto-johns and trash containers will be on-location during fracturing operations or any other crew-intensive operations.**
- 14. Subsequent sundry required detailing work done and completion report for new zone. Also include current wellbore schematic.**

TMM 031212