

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.  
NMLC029020C

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 88210

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 C #12

9. API Well No.  
30-015-31099

10. Field and Pool or Exploratory Area  
Loco Hills; Glorieta-Yeso

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
49S FNL & 99S FWL; Sec 23, T-17S, R-30E

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.)

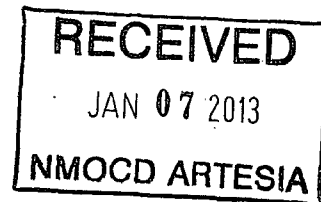
Dale H. Parke C #12 Deepening Program

See Attachments for Details

**SEE ATTACHED FOR  
CONDITIONS OF APPROVAL**

Accepted for record  
NMOCD

TCS  
1/7/2013



14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Daniel Jones

Title Vice President

Signature

Date 12/06/2012

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by

Title

Office

**APPROVED**

JAN 2 2013

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 C #12 Deepening Program

### 1. Estimated Tops of Important Geologic Markers:

Glorieta - Yeso: 4,442' - TD

### 2. Estimated Depths of Anticipated Fresh Water, Oil, and Gas

Glorieta - Yeso: 4,442' - TD

This deepening originates in the Yeso and will finish at the base of the Yeso. The entire Yeso group is an oil and gas bearing interval.

### 3. Casing Program

5125'

Hole Size	Interval	OD Casing	Weight	Grade**	Jt./Condition	Burst/Collapse/Tension
4-3/4"	5125' - 6300'	4"	10.46#	L-80	ULT-FJ/New	7.70/8.8/9.17 (L80)

NOTE: Premier Oil & Gas Inc. requests a variance to the 0.422" stand-off rule between casing and wellbore.

### 4. Cement Program

4" liner: Class C, 120 sxs, yield 1.37. 100' minimum tie back to production casing.

Note: Premier Oil & Gas Inc. requests a variance to pressure test because the deepened well will be completed in the same zone as the current perfs and the entire interval is recognized by the OCD as one interval (Yeso). Otherwise, casing program will implemented per Onshore Order No. 2 Sect III:

Requirements, Part B. Casing and cementing requirements, Subpart b. with a minimum of 100 feet overlap. No test shall be required for liners that do not incorporate or need a seal mechanism.

### 5. Minimum Specifications for Pressure Control

The BOP equipment will be a 3000 psi double ram type manually operated preventer. This equipment will be nipple up to a 8-5/8" 3K flange. The pipe rams are located above blind rams. There is no choke or kill manifold. The BOP is tested to 1000 psi prior to drilling new formation. Access to the annulus will be through the valves on the 5-1/2" casing head.

### 6. Types and Characteristics of the Proposed Mud System

This well will be drilled from the end of the existing 5-1/2" casing to TD with fresh water.

### 7. Auxiliary Well Control and Monitoring Equipment

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

### 8. Logging, Testing, and Coring

A. The electric logging program will consist of Spectral Gamma Ray, Dual Spaced Neutron, Spectral Density, and Dual Laterolog will be run from TD to 5-1/2" production casing shoe.

B. No Drill Stem tests.

C. No conventional coring anticipated.

D. Further testing procedures will be determined after the 4" liner has been cemented at TD, based on drill shows and log evaluation.

### 9. Abnormal Conditions, Pressure, Temperatures, and Potential Hazards

No abnormal pressures or temperatures are anticipated. The estimated bottomhole temperature at TD is 110 degrees and the estimated maximum bottomhole pressure is 2800 psig. The drilling starts in the Yeso and ends in the Yeso. The section of Yeso being drilled has very low permeability (less than 1 md).

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

There will be no road or location work required as this is an existing well location. Once commenced, drilling operations should be finished in approximately 14 days. If the well is productive, an additional 30 days will be required for completion and testing before a decision is made.

#### **11. Centralizer Program**

Fixed blade stabilizer subs will be utilized in the casing string to insure adequate isolation and seal throughout the wellbore. These stabilizer subs are positive fixed blade type. These subs will actually be screwed into the casing string. A diagram of the fixed blade stabilizer sub is located at the end of this program.

The standard location of the stabilizers will be the following:

##### *Shoe Location*

Guide shoe, 1 jt casing, stabilizer sub, float collar, 1 jt casing, stabilizer sub

##### *Perf Interval Location – between perf intervals*

Stabilizer sub, 1 jt casing, stabilizer sub

##### *Top of Liner Location*

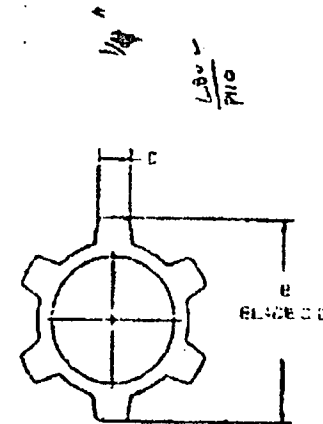
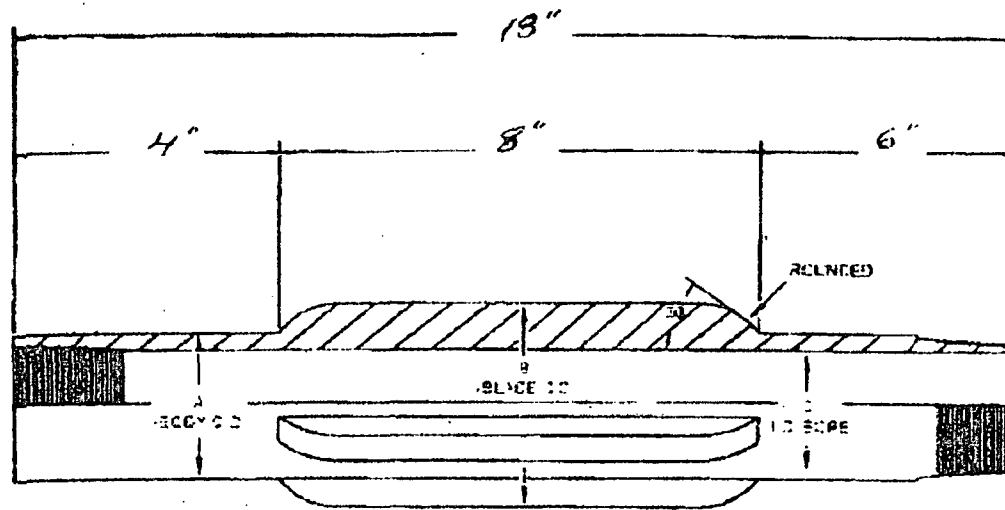
DV tool, 1 jt casing, stabilizer sub, 1 jt casing, stabilizer sub

#### **12. Summary Drilling and Completion Program**




##### **Deepening Procedure**

1. MIRU rig.
2. Sqz upper Yeso with +/- 400 sx of Class C neat. Drill out squeeze.
3. PU 4-3/4" bit and drill 4-3/4" hole from 5127 – 6300'.
4. POOH w/ bit and drillstring.
5. RIH w/ logs and log from TD to 4500'
6. RIH w/ 4", 10.46# casing. See Section 11 for general centralizer program.
7. Cement casing from TD to 4900' w/ 120 sxs Class C cmt. Drop plug and open DV @ 4915. Circ cmt off DV tool. Drop plug to close DV tool.
8. PU workstring and RIH and drill out DV tool. POOH and RD workstring.
9. RDMO rig.

Centralizer Diagram

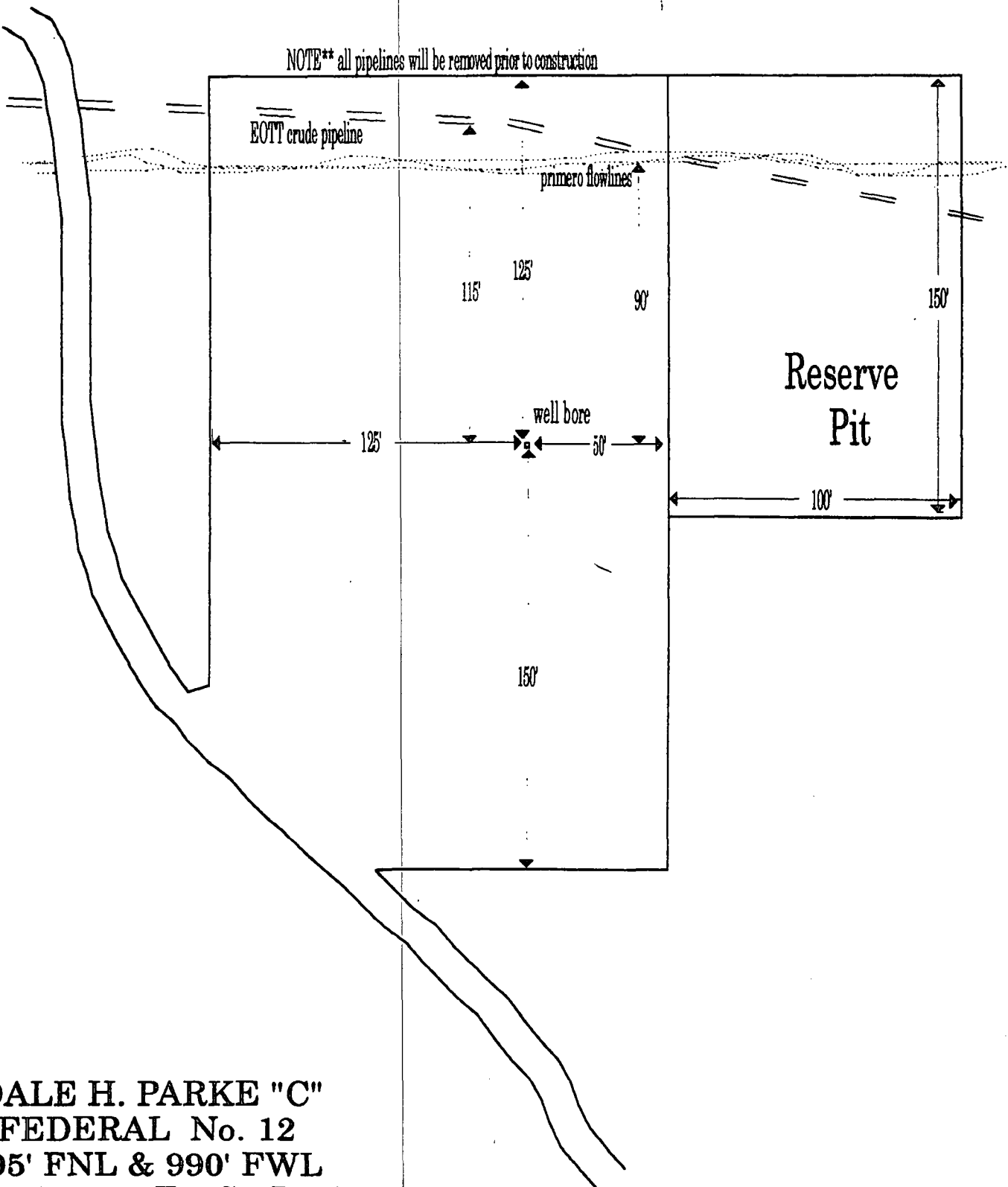


SIZE	A	B	C	D	E	F	G	DRIFT
4" x 3/4" 1160	4.450	4.750	3.347	3/4"				3.303"

 	
CENTRALIZED INTERCASING	
CLIENT	
WELL NAME & NO.	
CASING	4" P/US 1160
MATERIAL	4 3/4 x 3 1/4 x 18" Q195
NO. & DATE	119

# h

NOTE\*\* all pipelines will be removed prior to construction

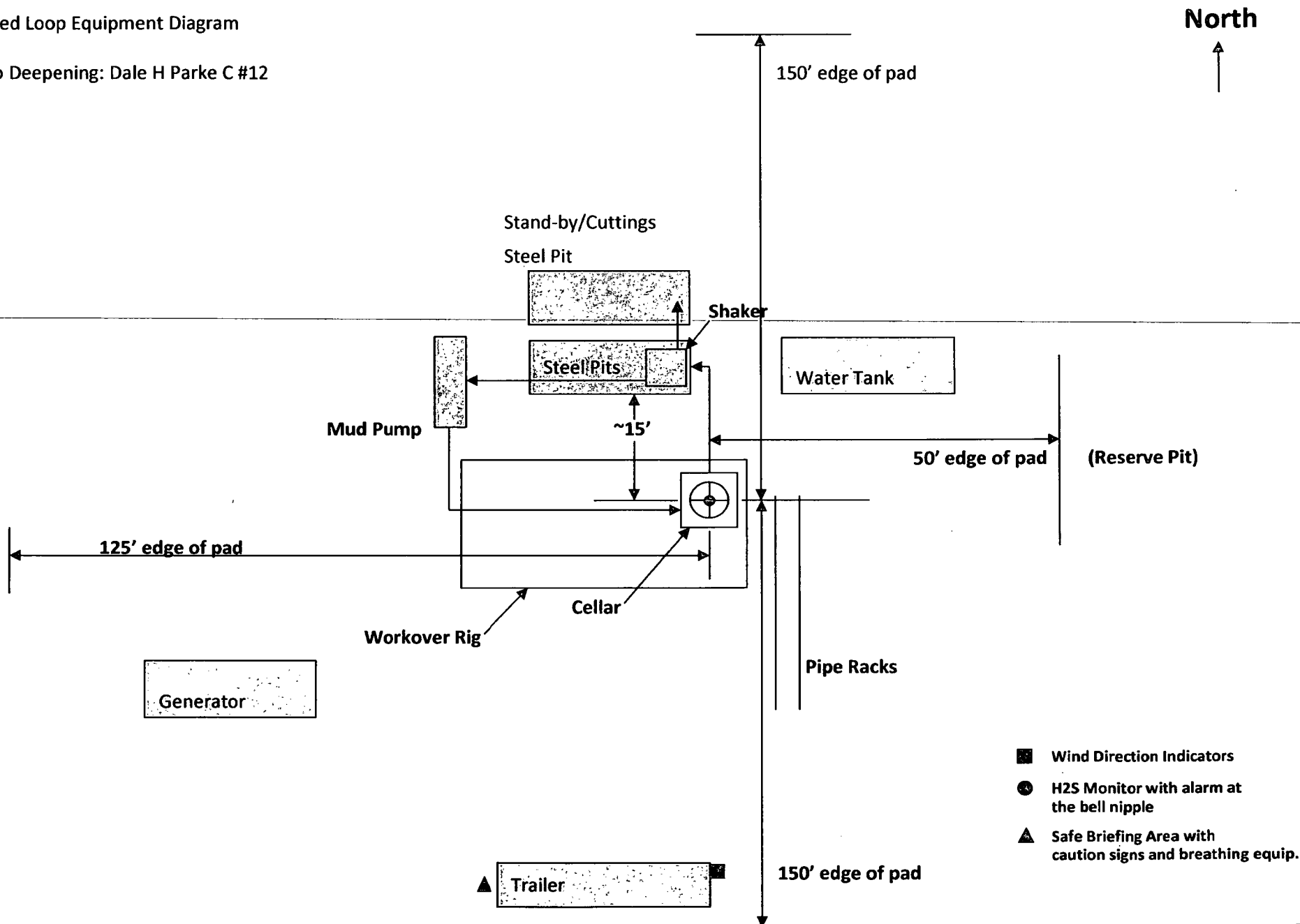


**DALE H. PARKE "C"**  
**FEDERAL No. 12**  
**495' FNL & 990' FWL**  
**Section 23; T17S - R30E**  
**Eddy County, New Mexico**

# Premier Oil & Gas Inc.

## Closed Loop Equipment Diagram

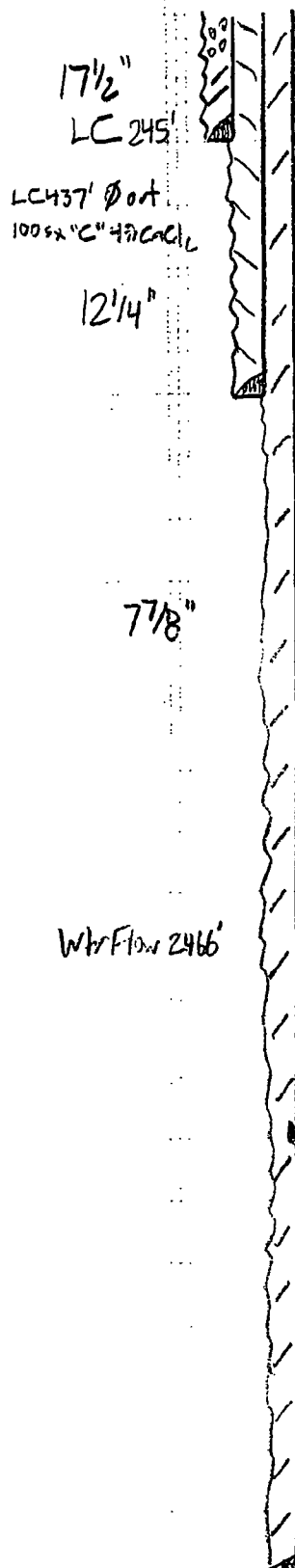
Yeso Deepening: Dale H Parke C #12



Dale H Parke C-12  
 495' FNL, 990' FNL  
 D-23 -17s-30e  
 Eddy, NM

30-015-31099

Zero: 12' AGL  
 KB: 3676'  
 GL: 3664'



13 3/8" / 48 / H40 / STC @ 443'  
 450sx"C Redmix surf. 10yd

TOS: BOS:

8 5/8" / 24 / J55 / STC @ 1265'  
 600sx HLC + 200"C (circ 80sx)

11/00: 4559-4890' (20) Acide 200g 15%  
 HA 54000g 40# gel + 35,000 gal 20% HCl  
 CA 5000g 15%  
 4559, 66, 80, 95, 4607, 32, 34, 60, 62, 4726, 37,  
 4751, 4802, 20, 27, 34, 40, 61, 77, 4890'

DV 3265'

4559-4890' (20) Yeso

5 1/2" / 17 / J55 / LTC @ 5125'

5127'

1<sup>st</sup>: 350sx Spwr H (circ 85sx)  
 2<sup>nd</sup>: 500sx HLC + 250sx Spwr H  
 (circ 130sx)

**Dale H. Parke C #12**  
**Premier Oil & Gas Inc.**  
**30-015-31099**  
**January 02, 2013**  
**Conditions of Approval**

1. Work to be complete within 180 days.
2. Surface disturbance beyond the originally approved pad must have prior approval.
3. Closed loop system to be used.
4. H2S monitoring equipment should be onsite for personnel protection from surrounding oil operations. Operator should not encounter H2S while deepening.
5. BOP to be tested to **1000 psi** based on BHP expected.
6. Variance for stand-off of less than 0.422" is approved due to NMOCD classifying the formations in this area as the Yeso group.
7. Variance approved for a minimum tie back of 100'. When plugged, cement plug will be required across this tie back and across squeezed perforations.
8. Variance for not testing seal also approved based on NMOCD classification of formations in this area as the Yeso group.
9. If cement does not circulate to DV tool, the appropriate BLM office is to be notified.
10. Test casing as per Onshore Order 2.III.B.1.h.
11. Subsequent sundry detailing work and current well test data are to be submitted when work is complete.

**JAM 010213**