

District I

1625 N French Dr, Hobbs, NM 88240

District II

1301 W Grand Avenue, Artesia, NM 88210

District III

1000 Rio Brazos Road, Aztec, NM 87410

District IV

1220 S St. Francis Dr, Santa Fe, NM 87505

State of New Mexico
Energy Minerals and Natural ResourcesForm C-101
May 27, 2004**S**Oil Conservation Division **AUG 26 2008** Submit to appropriate District Office
1220 South St. Francis Dr. **OCD-ARTESIA** ☐ AMENDED REPORT
Santa Fe, NM 87505**APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE**

¹ Operator Name and Address Premier Oil & Gas, Inc. P.O. Box 1246, Artesia, NM 88211-1246		² OGRID Number 017985
		³ 30 - ⁴ 015-31401 Number
⁵ Property Code 9369	⁶ Property Name Eddy FV State	⁷ Well No 5
⁸ Proposed Pool 1 Avalon Delaware 3715		⁹ Proposed Pool 2

7 Surface Location

UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
M	25	20S	2JE		660	South	810	West	Eddy

8 Proposed 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

Additional Well Information

¹¹ Work Type Code P	¹² Well Type Code 0	¹³ Cable/Rotary	¹⁴ Lease Type Code S	¹⁵ Ground Level Elevation GL 3287'
¹⁶ Multiple No	¹⁷ Proposed Depth 4646'	¹⁸ Formation Delaware	¹⁹ Contractor	²⁰ Spud Date 9/2/08
Depth to Groundwater		Distance from nearest fresh water well		Distance from nearest surface water
²¹ Pit Liner: Synthetic <input type="checkbox"/> _____ mls thick Clay <input type="checkbox"/> Pit Volume: _____ bbls Drilling Method: _____ NO PIT Closed-Loop System <input type="checkbox"/> Fresh Water <input type="checkbox"/> Brine <input type="checkbox"/> Diesel/Oil-based <input type="checkbox"/> Gas/Air <input type="checkbox"/>				

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17-1/2	13-3/8	48# H-40	516'	575	surface
12-1/4	8-5/8	32# J-55	2500'	1148	surface
7-7/8	5-1/2	17# J-80 & 15.5# J-55	11,450'	975	6830'
NO NEW CASING					

²² Describe the proposed program. If this application is to DEEPEN or PLUG BACK, give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

SEE ATTACHED FOR COMPLETION PROGRAM

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief. I further certify that the drilling pit will be constructed according to NMOCD guidelines <input type="checkbox"/> , a general permit <input type="checkbox"/> , or an (attached) alternative OCD-approved plan <input type="checkbox"/> .		OIL CONSERVATION DIVISION	
Printed name Rosalie Jones		Approved by <i>Jim W. [Signature]</i> District II Supervisor	
Title President		Title:	
E-mail Address:		Approval Date 9/2/08	Expiration Date 9/2/10
Date 08/25/08	Phone: 575-748-2093	Conditions of Approval Attached <input type="checkbox"/>	

FV #5 Completion

1. POOH all rods and tubing.
2. Set CIBP @ 4250' with 35' of cement on top. Test plug to 1000 psi.
3. Set Composite plug @ 3375'. Test Plug to 1000 psi.
4. Fill annulus with 2% KCL
5. Unscrew 5 1/2' casing @ 3286' and pull casing. Circulate hole with 2 % KCL
6. Run Schlumberger CMR log from 3250' to 2500' across Upper Cherry Canyon (UCC).
7. Core 40 pts between 3250' and 2500' across UCC.
8. Rerun and rescrew 5 1/2' casing @ 3286'. (If unable to screw casing, we will run a shoe and cement casing.)
9. Shoot 4 holes @ 3300'.
10. Run cement retainer @ 3250' and establish circulation with 2% KCl and mud wash.
11. Cement casing with lead cement - 180 sks of Halliburton Econocem™ System 5 lbm/sk Gilsonite (lost circulation additive) and tail cement - 210 sks of Halcem™ System .4% LAP-1 +.3% CFR-3 + /25% D-AIR 3000.
12. Analyze data and selectively perf UCC.
13. Acidize UCC perf's and frac if necessary.

P REMIER OIL AND GAS, INC.

August 25, 2008

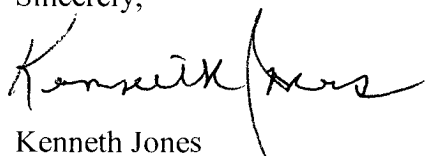
Oil Conservation Division – Artesia Office

RE: H2S Contingency Plan for Eddy FV State #5
Sec 25 20S 27E, Unit M
Eddy County, NM

Premier Oil & Gas is requesting an exemption to Rule 18 (H2S Contingency Plan) for our Delaware Recompletion of the FV #5. The nearest Delaware field is the Avalon Delaware Unit (ADU) which is located approximately $\frac{3}{4}$ of a mile from the unit boundary. The ADU produces sweet oil (no H2S) and associated gas without H2S. Premier is a working interest owner in the ADU. Furthermore the nearest public area (Lake Avalon) is over 2 miles away while the nearest county road is 4000' from the well site.

Should you have any questions, please feel free to call the office number below or me personally at: 214-543-3688. Thank you.

Sincerely,



Kenneth Jones