

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.  
NMNM0384575

6. If Indian, Allottee or Tribe Name

**SUBMIT IN TRIPLICATE – Other instructions on page 2.**

## 1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other2. Name of Operator  
Premier Oil & Gas Inc.3a. Address  
PO Box 1246  
Artesia, NM 88211-12463b. 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 B Tract B #29. API Well No.  
30-015-2369110. Field and Pool or Exploratory Area  
Grayburg Jackson, SR, O, GB, SA4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
1650' FSL & 2310' FWL, Unit K, Sec 15, T-17S, R-30E11. Country or Parish, State  
Eddy County, NM

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

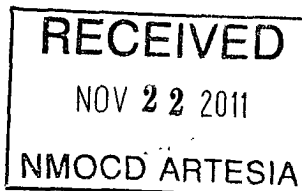
TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input checked="" type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input checked="" type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input checked="" 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 &amp; Gas Inc., respectfully requests to repair the Dale H. Parke B Tract B #2 Injection well casing as follows:

As per LOV NO. 02-09-211 with a repair due date of 11/28/2011:

1. Set Composite Bridge Plug @ 2590'.
2. Run 2590' of 4.0" 10.7# Flushless J-55 Tubing inside of 5-1/2" 14# J-55 (I.D. 5.012", ID drift 4.887")
3. Cement 4.0" Tubing w/ 150 sx of C class P+ w/ .3% Halad® -322, 1.33 slurry yield, (Dispersant) and circulate
4. ~~Pressure Test to 600 psi for 30 min.~~
5. Drill out cement and plug.
6. Run 2-3/8" plastic coated tubing w/ pkr set @ 2580'.
7. Pressure test annulus per MIT requirements.

**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 11/10/2011

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

Approved by

Title

Date

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.

Office

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 B Tr B-2

1650' FSL, 2310' FWL

K - 15 - 175-30e

Eddy, NM

30-015-23691

Zero:

KB:

GL: 3692'

TDS:

BDS: 1100'

12 1/4"

5 1/2" 102 lbs 555-86'  
Grd 3075x"C"  
(2006)

7 1/8"

Repair @ 10'

Tag 150'

85 1/8" / 24 / K55 / STC @ 470'

1205x Thixo + 2005x"C"

1" w / 1005x thixo (Circ 255x)

6/81; 3203-3532' (36) 10000g 15%

3203, 05, 45, 66, 68, 78, 87, 96, 3302, 04, 06  
3308, 10, 15, 21, 66, 3452, 54, 56, 83, 85, 87,  
3489, 91, 3502, 04, 08, 10, 12, 14, 16, 18, 20, 22  
3532'

2622-2868' (14) 6000g 15%

2622, 25, 42, 44, 49, 53, 2657, 2752, 54,  
2778, 2855, 60, 64, 2868'.

6/83: Convert WW. Tandem Tens. Pkr  
2475', Lok Set Pkr 3044'  
2 1/8" tag

2/06: Repair hole surf @ 10'

Holes 555-86'. Shot 2 holes 552'.

592 3005x"C"

79 lbs 2 1/8" Mod 181 pkr 2463'

2622-2868' (14) GB

3203-3532' (36) SA

5 1/2" / 14 / K55 / STC @ 3555'

5505x Lite + 5505x"C" (Circ 1755x)

3555'

**Dale H Parke B tract B-2  
30-015-23691  
Premier Oil and gas  
November 10, 2011  
Conditions of Approval**

- 1. Surface disturbance beyond the existing pad must have prior approval.**
- 2. Closed loop system required.**
- 3. 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.**
- 4. Operator to have H2S monitoring equipment on location as H2S has been reported from wells in the area.**
- 5. On step 3, if unable to circulate cement to surface contact BLM at 575-361-2822.**
- 6. On step 4, wait on cement to reach 500 pounds compressive strength prior to testing. Contact BLM to witness Pressure Testing. Paul R. Swartz paul\_swartz@blm.gov, (phone 575-200-7902). If there is no response, call 575-361-2822. Operator is to pressure test casing to maximum average injection pressure of 2,100 psia**
- 7. Step 5 and 6, OK**
- 8. Conduct a Mechanical Integrity Test of the tubing/casing annulus after a tubing, packer or casing seal is established. Repair that seal any time more than five barrels of packer fluid is replaced within 30 days.**
  - a. The minimum test pressure should be 500 psig for 30 minutes or 300 psig for 60 minutes, with 200 psig differentials between tubing and casing pressure (at test time) but no more than 70% of casing burst pressure as described by Onshore Order 2.III.B.1.h. (The tubing or reservoir pressure may need to be reduced). An alternate method for a BLM approved MIT is to have the fluid filled system open to atmospheric pressure and have a loss of less than five barrels in 30 days witnessed by a BLM authorized officer.**

- b. Document the pressure test on a calibrated recorder chart registering within 25 to 85 per cent of its full range. Greater than 10% pressure leakoff will be viewed as a failed MIT. Less than 10% pressure leakoff will be evaluated site specifically and may restrict injection approval.
  - c. At least 24 hours before the test: In Eddy County email Paul R. Swartz [paul\\_swartz@blm.gov](mailto:paul_swartz@blm.gov), (phone 575-200-7902). If there is no response call 575-361-2822. In Lea County email Andy Cortez [andy\\_cortez@blm.gov](mailto:andy_cortez@blm.gov), (phone 575-393-3612 or 575-631-5801). Note the contact notification method, time, & date in your subsequent report.
  - d. Submit a subsequent Sundry Form 3160-5 relating the MIT activity. Include a copy of the recorded MIT pressure chart. List the name of the BLM witness, or the notified person and date of notification. NMOCD is to retain the original recorded MIT chart.
  - e. Use of tubing internal protection, on/off tubing equipment just above the packer, and a profile nipple installation is required. The setting depths and descriptions of each are to be included in the subsequent sundry. List (by date) descriptions of daily activity of any previously unreported wellbore workover.
  - f. Submit the original subsequent sundry with three copies to BLM Carlsbad.
9. Compliance with a NMOCD Administrative Order is required, submit documentation of that authorization.
- a. Approved injection pressure compliance is required.
  - b. If injection pressure exceeds the approved pressure you are required to reduce that pressure and notify the BLM within 24 hours.
  - c. When injection pressure is within 50 psig of the maximum pressure, install automation equipment that will prevent exceeding that maximum.
    - i. Submit a subsequent report (Sundry Form 3160-5) describing the installed automation equipment within 30 days.
10. Other unexplained significant variations of rate or pressure to be reported within 5 days of notice.
11. The casing/tubing annulus is required to be monitored for communication with injection fluid or loss of casing integrity.
12. The annulus is to be maintained full of packer fluid at atmospheric pressure. Installation of equipment that will display on site, continuous open to the air fluid level is required. A BLM inspector may request verification of this fluid level at any time.
13. Submit a subsequent report (Sundry Form 3160-5) describing the installation of packer fluid level monitoring equipment within 30 days of beginning injection.

- 14. The operator shall keep monthly records documenting that the casing annulus is fluid filled. A suggested format for these records is available from the BLM Carlsbad Field Office. Copies of those records shall be furnished at the request of a BLM authorized officer.**
- 15. Loss of packer fluid above five barrels per month requires notification of the BLM authorized officer within 5 days.**
- 16. Gain of annular fluid requires notification within 24 hours. Cease injection and maintain a production casing pressure of 0psia. Notify the BLM's authorized officer (Paul R. Swartz [paul\\_swartz@blm.gov](mailto:paul_swartz@blm.gov) phone 575-200-7902). If there is no response phone 575-361-2822.**
- 17. Also submit to this office a (Sundry Form 3160-5) Notice of Intent (NOI) for planned well work involving a formation change, casing repair/replacement, and injection well fracture treatment for approval by BLM and NMOCD. Verbal approval for the plan may be given by a BLM authorized officer, with the NOI filed within five business days. Packer and tubing repair (normal maintenance procedures) do not require a NOI, but a subsequent sundry needs to be filed.**
- 18. Submit a (Sundry Form 3160-5) subsequent report (daily reports) describing all wellbore activity and Mechanical Integrity Test as per item 1) above. Include the date(s) of the well work, and the setting depths of required equipment: tubing, one on/off tool, one profile nipple, and a single packer.**

**EGF 111011**