Form 3160-5
(August 2007)

OCD Artesia

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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.

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

5. Lease Serial No.
NM-0467930

6. If Indian, Allottee or Tribe Name

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

1. Type of Well
☑ Oil Well ☐ Gas Well ☐ Other

8. Well Name and No.
Dale H. Parke A Tract 1 #24

2. Name of Operator
Premier Oil & Gas, Inc.

9. API Well No.
30-015-31070

3a. Address
PO BOX 1246
ARTESIA, NM 88211-1246

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

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

4. Location of Well *(Footage, Sec., T.,R.,M., or Survey Description)*
330' FSL & 2310' FEL; Sec 15, 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			
☑ Notice of Intent	☐ Acidize	☑ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Subsequent Report	☐ Casing Repair	☐ New Construction	☐ Recomplete	☐ Other _____
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	_____
☐ Final Abandonment Notice	☐ Convert to Injection	☐ Plug Back	☐ 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 recomplete 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 recompletion 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 A Tract 1 #24

See Attachments for Details

SUBJECT TO LIKE
APPROVAL BY STATE

RECEIVED
MAY 14 2013
NMOCD ARTESIA

SEE ATTACHED FOR
CONDITIONS OF APPROVAL

Accepted for record
NMOCD
RDade 5/15/2013

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

Title Vice President

Signature

Date 04/18/2013

APPROVED
MAY 10 2013
BUREAU OF LAND MANAGEMENT
CARLSBAD FIELD OFFICE

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 A Tract 1 #24 Deepening Program

1. Estimated Tops of Important Geologic Markers:
Glorieta - Yeso: 4,386' – TD

2. Estimated Depths of Anticipated Fresh Water, Oil, and Gas
Glorieta - Yeso: 4,386' - 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

Hole Size	Interval	OD Casing	Weight	Grade**	Jt./Condition	Burst/Collapse/Tension
4-3/4"	5037 – 6250'	4"	11.3#	L-80	ULT-FJ/New	3.98/4.09/3.21 (L80)

**Due to casing shortages, either L-80 or P-110 will be run. The exact grade is unknown at time of requesting permit.
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 5037 – 6250'.
4. POOH w/ bit and drillstring.
5. RIH w/ logs and log from TD to 5050'
6. RIH w/ 4", 11.3# casing. See Section 11 for general centralizer program.
7. Cement casing from TD to 4950' w/ 120 sxs Class C cmt. Drop plug and open DV tool@4950'. Circ cmt off DV tool. Drop plug to close DV tool.
8. PU workstring and RIH and drill out DV tool. POOH and LD workstring.
9. RDMO rig.

Closed Loop Operation & Maintenance Procedure

All drilling fluids are circulated over shakers and through steel work-over tanks.

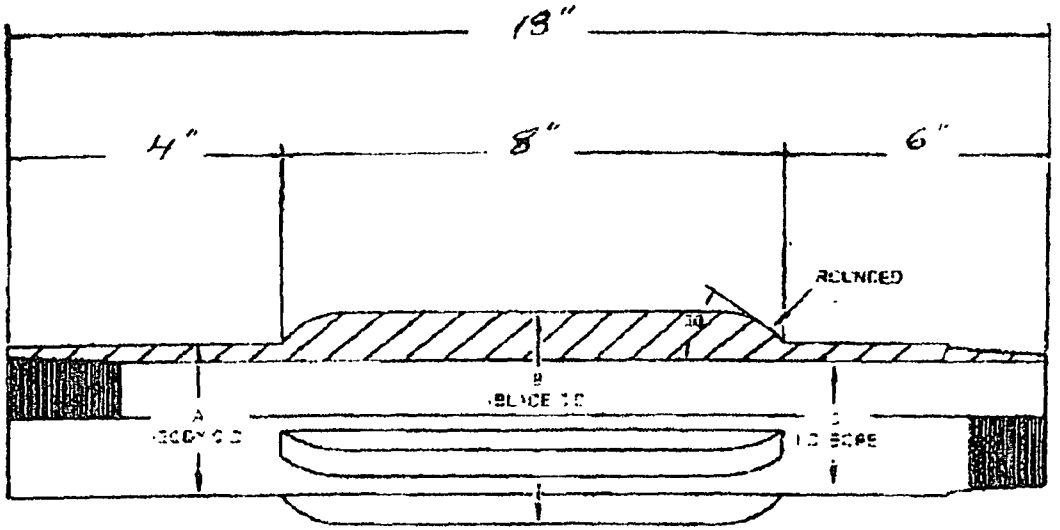
Fines from shaker are dropped into stand by metal tank.

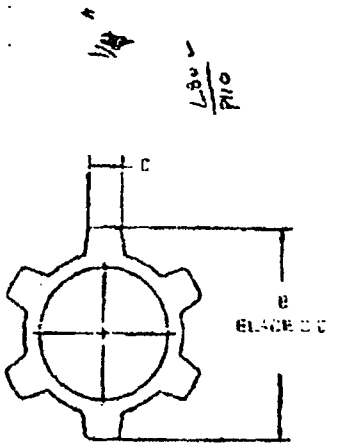
Additional tanks are used to capture unused drilling fluid or cement returns from casing jobs, as necessary.

At end of job, drilling fluid is disposed in a proper off location 3rd party injection well while fines are disposed of at a proper 3rd party waste disposal site.

This equipment will be maintained by rig crews that are on location.

Centralizer Diagram





STAND OFF ?

CENTRALIZED
INTERCASING

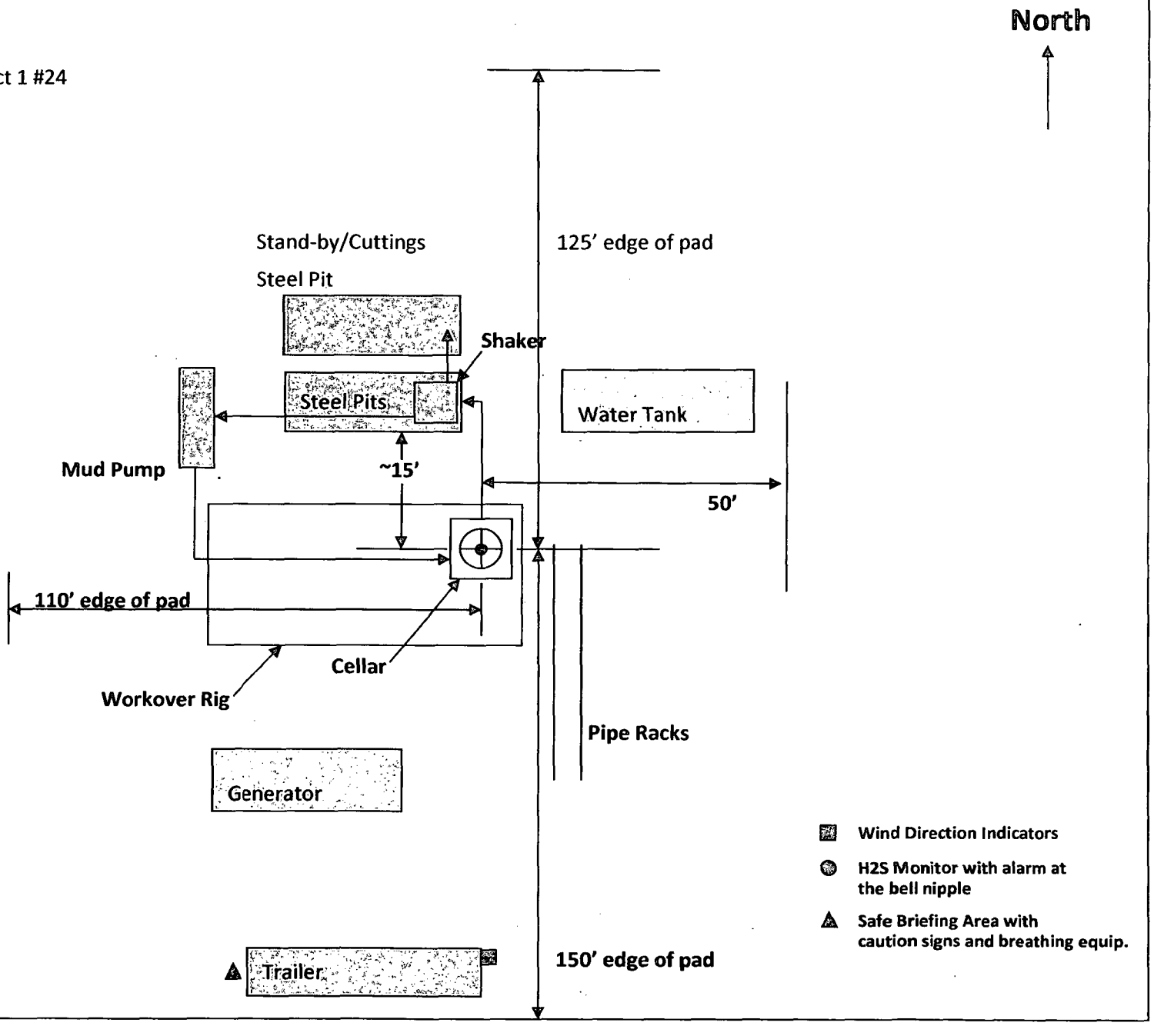
CLIENT	[redacted]
WELL NAME & NO	
CASING	4" E145 11.6#
MATERIAL	4 3/4 x 3 1/4 x 18" Q/125

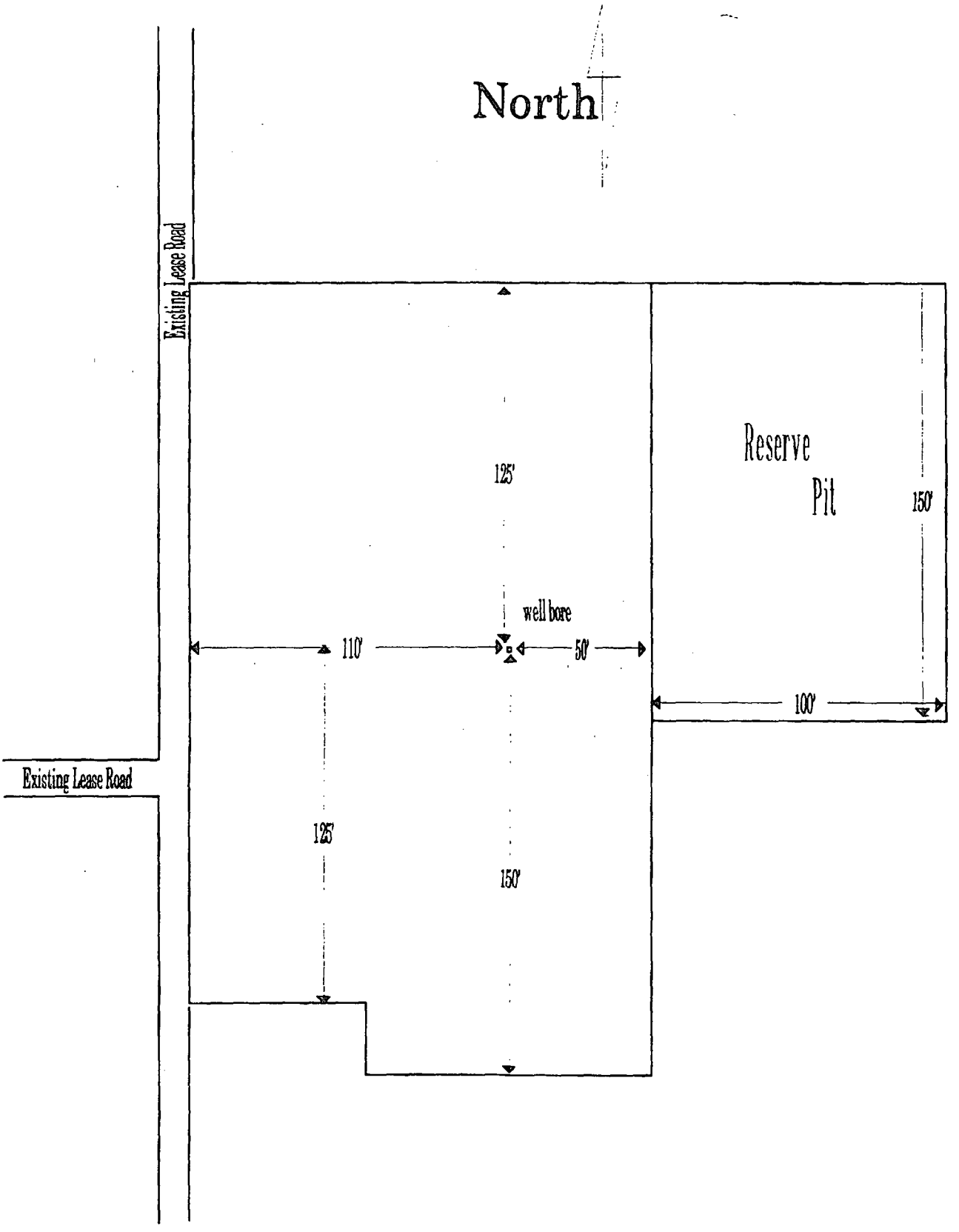
SIZE	A	B	C	D	E	F	G	DRIFT
4" x 4 3/4 11.6#	4.050	4.750	3.347	3/4"				3.303"

Premier Oil & Gas Inc.

Closed Loop Equipment Diagram

Yeso Deepening: Dale H Parke A Tract 1 #24



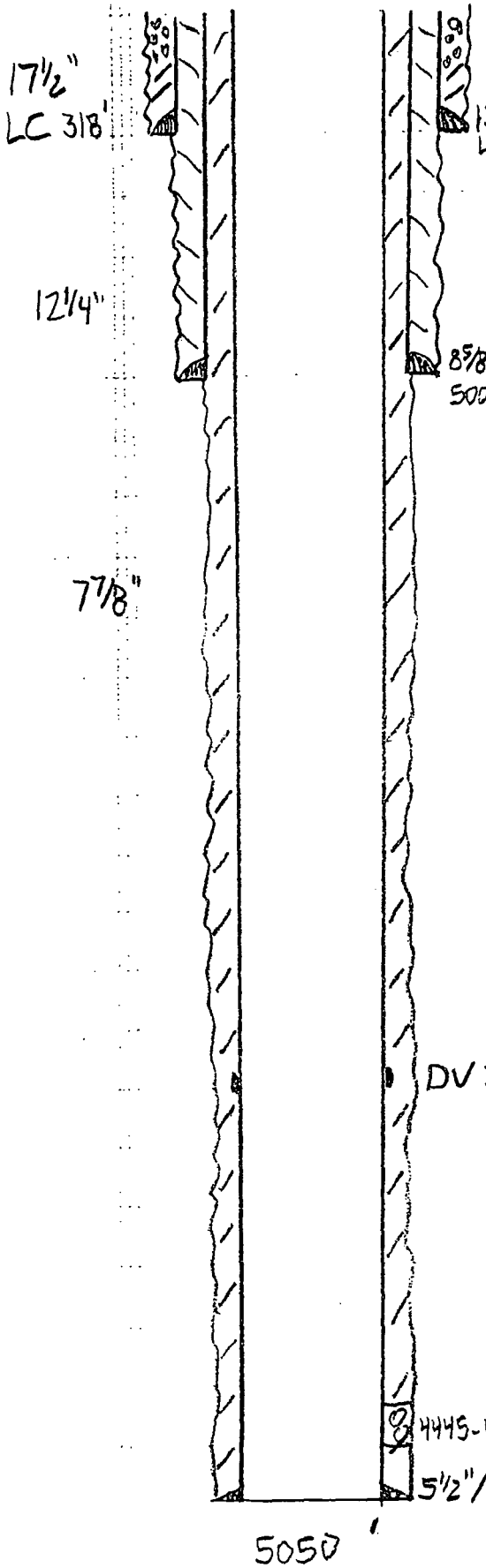


DALE H. PARKE "A"
Tract 1 No. 24
330' FSL & 2310' FEL
Section 15; T17S - R30E
Eddy County, New Mexico

Exhibit Four

Dale H Parke M 1 1-C7
330'FSL, 2310'FEL
O - 15 - 17S - 30E
30-015-31070 Eddy, NM

Zero: 12' AGL
KB: 3697'
GL: 3685'



TOS: BOS:

9/00: 4445-4797' (20) 2000g 15% HA 54,000g 40# gel + 35,000g 20% HCl CA 5000g 15% 20.6 @ 1990psi

4445, 4521, 47, 77, 83, 4614, 20, 27, 37, 40, 45, 4662, 79, 96, 4720, 52, 63, 70, 72, 97,

1st: 350sx Super H (Circ 98sx)

2nd: 500sx HLC + 500sx Super H (Circ 185sx)

3 strain cracks

Dale H. Parke A Tract 1 #24
Premier Oil & Gas Inc.
30-015-31070
May 10, 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 051013