

OIL CONSERVATION DIV

1st ST.

ESIA, NM 88210-2001

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

NOV 25 1996

Form 3160-3 (July 1992)

RECEIVED SUBMIT TO BUREAU OF LAND MANAGEMENT ON reverse side

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

ckf

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

OIL CON. DIV.

1a. TYPE OF WORK DRILL [X] DEEPEN [] DIST. 2

b. TYPE OF WELL OIL WELL [] GAS WELL [X] OTHER [] SINGLE ZONE [X] MULTIPLE ZONE []

2. NAME OF OPERATOR Penwell Energy, Inc. 147380

3. ADDRESS AND TELEPHONE NO. 600 N. Marienfeld, Ste. 1100, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 2310' FNL & 660' FEL At proposed prod. zone 2310' FNL & 660' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 5 1/2 miles West from Carlsbad

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) N.A.

16. NO. OF ACRES IN LEASE 320

17. NO. OF ACRES ASSIGNED TO THIS WELL 320

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. N.A.

19. PROPOSED DEPTH 11,600'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3378 GR

22. APPROX. DATE WORK WILL START* Oct. 1, 1996

5. LEASE DESIGNATION AND SERIAL NO. NM 0554477 & NM88104

6. IF INDIAN, ALLOTTED OR TRIBE NAME 20018

7. UNIT AGREEMENT NAME Filaree 24 Federal Com

8. FARMOR LEASE NAME, WELL NO

9. API WELL NO. 30-015-2928

10. FIELD AND POOL, OR WILDCAT Happy Valley

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 24, T-22-S, R-25

12. COUNTY OR PARISH Eddy 13. STATE N.M.

PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 17 1/2", 12 1/4", and 8 3/4" hole sizes with corresponding casing and cement details.

13 3/8" csg. cmt'd w/500 sks. Cl. C Neet w/2% CaCl2. Circulate cmt. to surface

9 5/8" csg. cmt'd w/700 sks Cl. C Lite + 200 sks. Cl. C Neet w/2% CaCl2. - Circulate cmt. to surface.

5 1/2" csg. cmt'd w/600 sks Cl. H. Estimated TOC 7,000'.

Posted ID-1 NL & API 12-6-96

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24 SIGNED Brenda Callman TITLE Production Analyst DATE September 17, (This space for Federal or State office use)

PERMIT NO. APPROVAL DATE

Application approval 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 there

CONDITIONS OF APPROVAL, IF ANY: /s/ Gary Bowers APPROVED BY DATE