

Form 3160-3
(July 1992)

OIL CONSERVATION DIV
S. 1st ST.
UNITED STATES

SUBMIT IN TRIPPLICATE*
(Other Ins. On Revers. e)

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

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK

DRILL ☒

DEEPEIN ☐

2. KIND OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE ☒

MULTIPLE ZONE ☐

3. NAME OF OPERATOR

PENWELL ENERGY INC. (GORDON BARKER) Ph. 915-683-2534

4. ADDRESS AND TELEPHONE NO.

1100 ARCO BUILDING 600 N. MARIENFELD
MIDLAND, TEXAS 79701 Ph. 915-683-2534

5. LOCATION OF WELL (Report location clearly and in accordance with BLM requirements.)

At surface 1980' ENL & 330' FWL SEC. 14 T24S-R29E NM

At proposed prod. zone Same

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

7 miles East of Malaga New Mexico

7. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

330'

8. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

1220'

9. ELEVATIONS (Show whether DF, RT, GR, etc.)

2934' GR. Carlsbad Controlled Water Basin

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	Conductor 20"	NA	40'	Cement/Redimix to surface
17 1/2"	H-40 13 3/8"	48	350'	250 Sx. Circulate to surface
12 1/2"	J-55 9 5/8"	36	3100'	500 Sx. Circulate cement to surface
7 7/8"	N-80, J-55 5 1/2"	17	9100'	600 Sx. Estimate top of cement 5600'

1. Drill 26" hole to 40'. Cement 40' of 20" conductor pipe with Redimix to surface.

2. Drill 17 1/2" hole to 350'. Run and set 350' of 13 3/8" 48# H-40 ST&C casing. Cement with 150 Sx. Class "C" + 1/4# flocele + 5# Gilsonite/Sx. + 2% CaCl, tail in with 100 Sx. Class "C" + 3% CaCl. Circulate cement to surface.

3. Drill 12 1/2" hole to 3100'. Run and set 3100' of 9 5/8" 36# J-55 8-R ST&C casing. Cement with 300 Sx. Class "C" light + 1/4# flocele/Sx 5# Gilsonite/Sx + 8% Salt, Tail in with 200 Sx. Class "C" + 2% CaCl. Circulate cement to surface.

4. Drill 7 7/8" hole to 9100'. Run and set 9100' of 5 1/2" as follows, 2900' of N-80 17# LT&C, 4800' of J-55 17# LT&C, 1400' of N-80 LT&C casing. Cement with 600 Sx. Class "H" + 8% Salt + .6% Halad 322 + .6% Halad 344. Estimate top of cement 5600'.

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 surface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

TITLE Agent

DATE 03/14/96

(This space for Federal or State use)

PERMIT NO.

APPROVAL DATE

Application approval does not warrant that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SOD) RICHARD E. MANUS

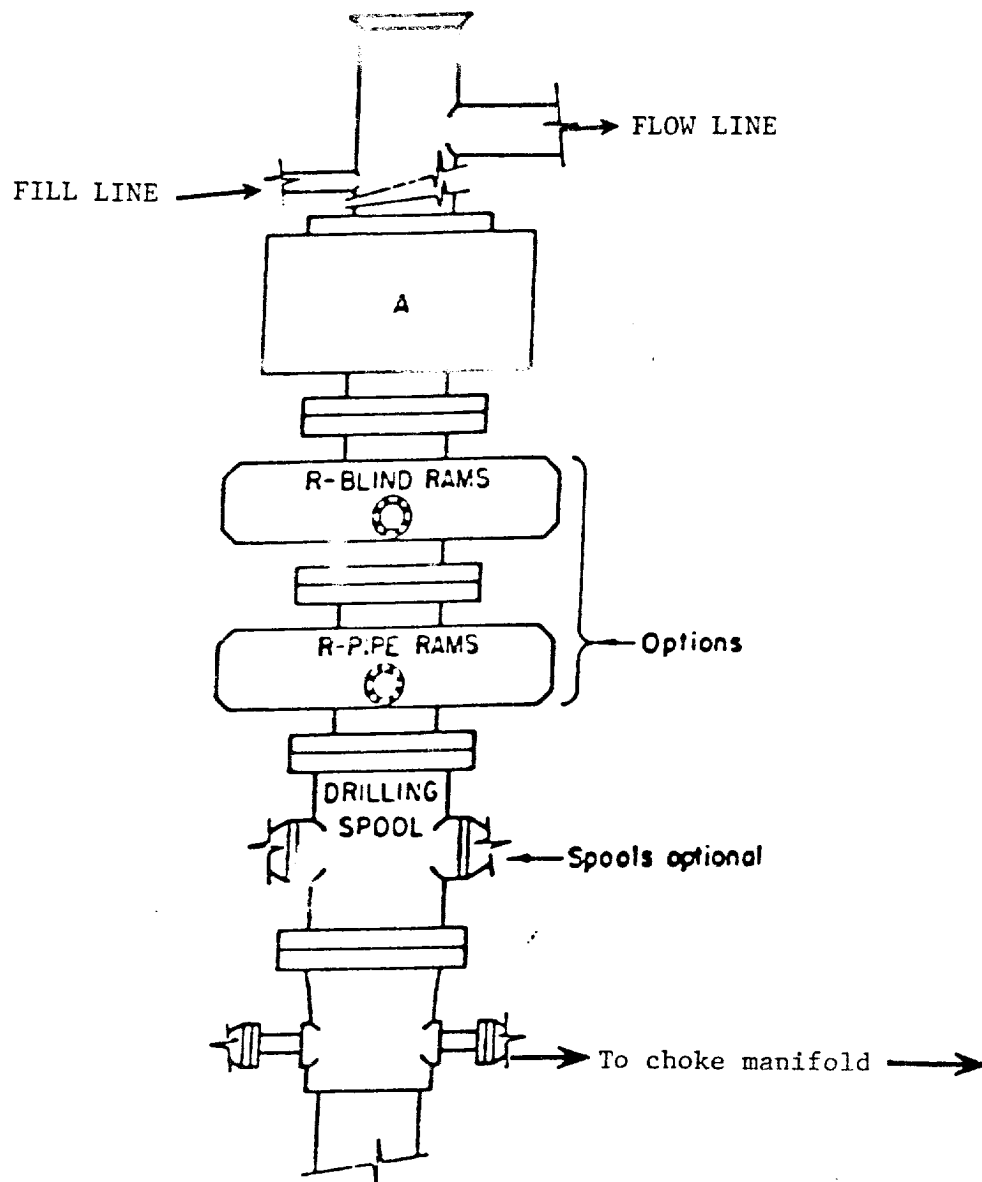
TITLE AREA MANAGER

DATE APR 01 1996

*See Instructions On Reverse Side

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

EXHIBIT "A"



ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY INC.
ORE IDA "14" FEDERAL #2
1900' FNL & 330' FWL SEC.14
T2 S-R29E EDDY CO. NM

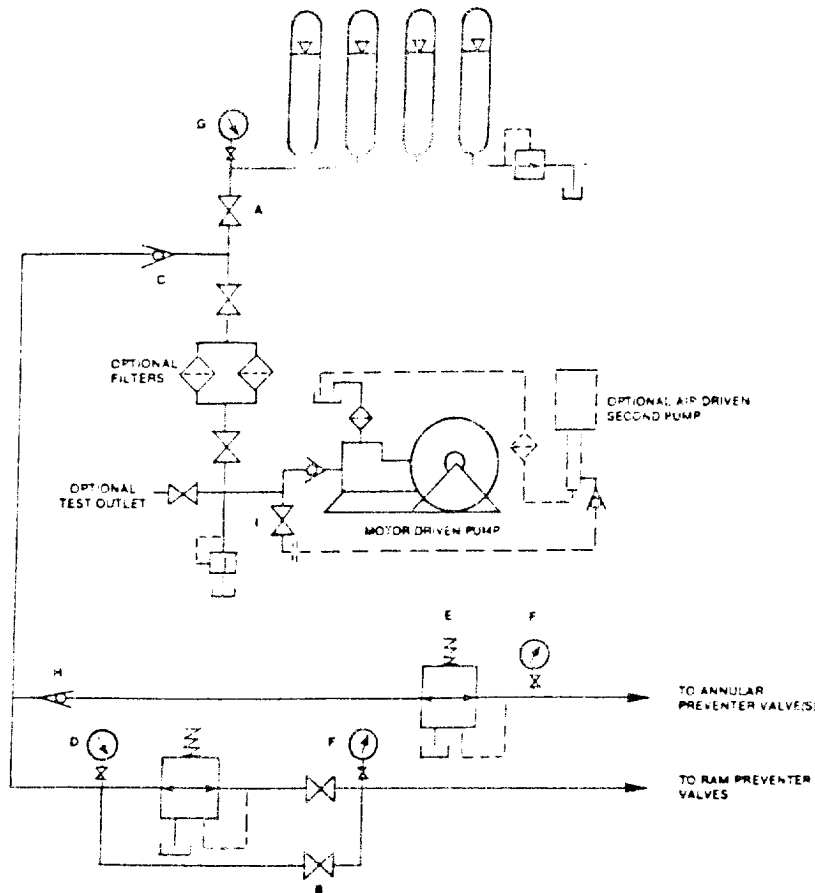


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

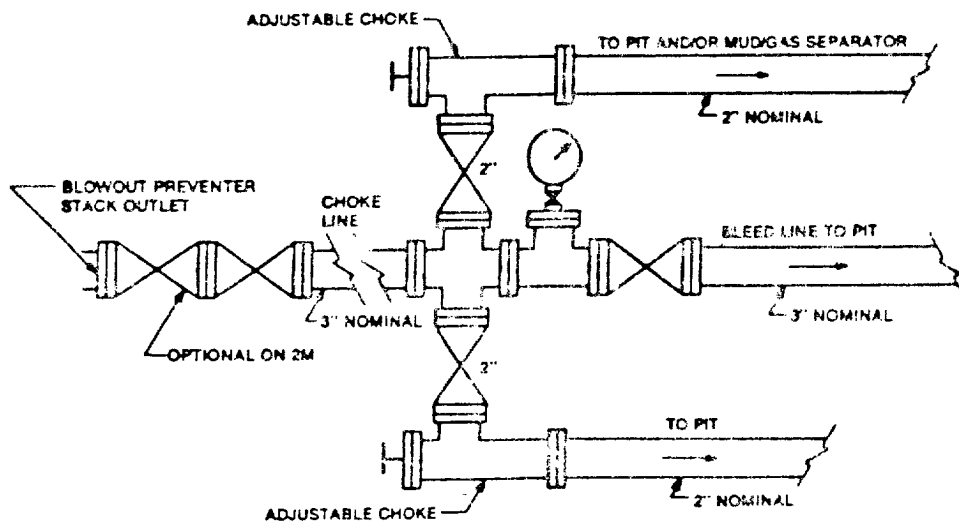


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

EXHIBIT "1-E"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY INC.
ORE IDA "14" FEDERAL #2
1980' FWL & 330' FWL SEC.14
T24S-R29E EDDY CO. R

NOTICE OF STAKING

(Not to be used in place of Application for Permit to Drill Form 3168-3) APR 3 1996

RECEIVED

1. Oil Well ☒ Gas Well ☐ Other (Specify) _____		6. Lease Number NM-96222	
2. Name of Operator: PENWELL ENERGY INC. (GORDON BARKER)		7. If Indian, Allottee or Tribe Name _____	
3. Name of Specific Contact Person: TIERRA EXPLORATION INC. AGENT P.O. 2188 HOBBS, NEW MEXICO 88241 JOE T. JANICA Ph. 505-392-2112		8. Unit Agreement Name _____	
4. Address & Phone No. of Operator: PENWELL ENERGY INC. Ph. 915-683-2534 1100 ARCO BUILDING 600 N. MARIENFELD MIDLAND, TEXAS 79701		9. Farm or Lease Name ORE IDA "14" FEDERAL	
5. Surface Location of Well 1980' FNL & 330' FWL SEC. 14 T24S-R29E Attach: a) Sketch showing road entry into pad, pad dimensions, and reserve pit. b) Topographical or other acceptable map showing location, access road, and lease boundaries.		10. Well No. 2	
		11. Field or Wildcat Name UNDES. PIERCE CROSSING BONE SPRING EAST	
		12. Sec., T., R., H., or Blk and Survey or Area SEC. 14 T24S-R29E	
15. Formation Objective(s) BONE SPRING	16. Estimated Well Depth 9100'	13. County, Parish or Borough EDDY CO.	14. State NEW MEXICO

17. Additional Information (as appropriate; must include surface owner's name, address, and telephone number). The surface and minerals are owned by the U.S. Department of Interior, BLM. The surface is leased by Laura & Raymond Mc Donald P.O. Box 66 Malaga, New Mexico Ph. 505-887-3454

18. Signed Joe T. Janica Title Agent Date 02/29/96

Note: Upon receipt of this Notice, the Bureau of Land Management (BLM) will schedule the date of the onsite predrill inspection and notify you accordingly. The location must be staked and access road must be flagged prior to the onsite.

Operators must consider the following prior to the onsite:

- a) H2S Potential
- b) Cultural Resources (Archeology)
- c) Federal Right of Way or Special Use Permit

RECEIVED

3 37 PM '96

RECEIVED

JUN 10 1964

U.S. AIR FORCE
OFFICE OF THE
JOINT CHIEFS OF STAFF

