

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER ☐

SINGLE ZONE ☒

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Penwell Energy, Inc. (915) 683-2534

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

660' FSL & 660' FEL

At proposed prod. zone

660' FSL & 660' FEL

Unit P

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

7 miles East of Malaga New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1280

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3002' GR

22. APPROX. DATE WORK WILL START*

December 20, 1996

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	H-40 13 3/8"	48#	350'	250' sx. Circ. to surface
12 1/4"	J-55 8 5/8"	32#	3100'	500 sx. Circ. to surface
7 7/8"	N-80, J-55 5 1/2"	17#	8500'	600 sx. Est. TOC 5600'

1. Drill 17 1/2" hole to 350'. Run & set 350' of 13 3/8" 48#, H-40 ST&C csg. Cmt. w/150 sx. Cl. "C" + 1/4# flocele + 5# Gilsonite/sx. + 2% CaCl, tail in with 100 sx. Cl. "C" + 3% CaCl. Circ. cmt. to surface.

2. Drill 12 1/4" hole to 3100'. Run and set 3100' of 8 5/8" 32#, J-55, 8rd ST&C casing. Cmt. w/300 sx. Cl. "C" light + 1/4# flocele/sx 5# Gilsonite per sx + 8% salt, Tail in with 200 sx. Cl. C + 2% CaCl. Circ. to surf.

3. Drill 7 7/8" hole to 8500'. Run and set 8500' 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 csg. Cmt. w/600 sx. Cl. "H" + 8% salt + .6% Halad 322 + .6% Halad 344. Est. TOC 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 subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

SIGNED Brenda Caffrey TITLE Production Analyst DATE Sept. 12, 1996

(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 thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Timothy P. O'Brien TITLE Area Manager DATE NOV 20 1996

*See Instructions On Reverse Side