

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 88211-0719  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUG BACK, OR ADD A ZONE

Operator Name and Address. Penwell Energy, Inc. 600 N. Marienfeld, Ste. 1100 Midland, Texas 79701		OGRID Number 147380
Property Code 96250	Property Name TORREON WASH "36" STATE	API Number 30-031-21006
		Well No. 1

7 Surface Location									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
"1"	36	20N	5W		2,143'	South	1,223'	East	McKinley

8 Proposed Bottom Hole Location If Different From Surface									
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Proposed Pool 1 Arena Blanca-Entrada					Proposed Pool 2				

Work Type Code N	Well Type Code 0	Cable/Rotary R	Lease Type Code S	Ground Level Elevation 6636
Multiple No	Proposed Depth 6,000'	Formation Entrada	Contractor Unknown	Spud Date Upon Approval

21 Proposed Casing and Cement Program					
Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
12 1/4"	9 5/8"	36#	350'+/-	275	Surface
8 3/4"	7"	23#	6,000'+/-	1,500 As Necessarry	3,000'

22 Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

Penwell proposes to drill to a depth sufficient to test the Entrada formation. Surface hole will be drilled utilizing fresh water. 8 3/4" production hole will be drilled utilizing fresh water mud weighing from 8.3 - 8.8 ppg. This weight is sufficient to control any pressure in the well. No over pressured zones will be penetrated. A 3,000# WP BOP and choke manifold will be utilized while drilling the 8 3/4" production hole. (See attached Exhibit "A" & "B".)

23 I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature: Bill Pierce  
Printed name: Bill Pierce  
Title: Manager of Operations  
Date: July 7, 2000  
Phone: 915 683-2534

OIL CONSERVATION DIVISION	
Approved by: <u>[Signature]</u>	Title: <u>SENIOR OIL &amp; GAS INSPECTOR, DIST. #3</u>
Approval Date: <u>7-11-00</u>	Expiration Date: <u>JUL 11 2001</u>
Conditions of Approval: Attached <input type="checkbox"/>	

HOLD C104 FOR NSL

## C-101 Instructions

Measurements and dimensions are to be in feet/inches. Well locations will refer to the New Mexico Principal Meridian.

IF THIS IS AN AMENDED REPORT CHECK THE BOX LABELED "AMENDED REPORT" AT THE TOP OF THIS DOCUMENT.

18 Geologic formation at TD

19 Name of the intended drilling company if known.

20 Anticipated spud date.

21 Proposed hole size ID inches, proposed casing OD inches, casing weight in pounds per foot, setting depth of the casing or depth and top of liner, proposed cementing volume, and estimated top of cement

22 Brief description of the proposed drilling program and BOP program. Attach additional sheets if necessary.

23 The signature, printed name, and title of the person authorized to make this report. The date this report was signed and the telephone number to call for questions about this report.

1 Operator's OGRID number. If you do not have one it will be assigned and filled in by the District office.

2 Operator's name and address

3 API number of this well. If this is a new drill the OCD will assign the number and fill this in.

4 Property code. If this is a new property the OCD will assign the number and fill it in.

5 Property name that used to be called 'well name'

6 The number of this well on the property.

7 The surveyed location of this well New Mexico Principal Meridian NOTE: If the United States government survey designates a Lot Number for this location use that number in the 'UL or lot no.' box. Otherwise use the OCD Unit Letter.

8 The proposed bottom hole location of this well at TD

9 and 10 The proposed pool(s) to which this well is being drilled.

11 Work type code from the following table:

N	New well
E	Re-entry
D	Drill deeper
P	Plugback
A	Add a zone

12 Well type code from the following table:

O	Single oil completion
G	Single gas completion
M	Multiple completion
I	Injection well
S	SWD well
W	Water supply well
C	Carbon dioxide well

13 Cable or rotary drilling code

C	Propose to cable tool drill
R	Propose to rotary drill

14 Lease type code from the following table:

F	Federal
S	State
P	Private
N	Navajo
J	Jicarilla
U	Ute
I	Other Indian tribe

15 Ground level elevation above sea level

16 Intend to multiple complete? Yes or No

17 Proposed total depth of this well

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Form C-102

Revised February 21, 1994

Instructions on back

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State Lease - 4 Copies

Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

<sup>1</sup> API Number 30-031-21006	<sup>2</sup> Pool Code 2285	<sup>3</sup> Pool Name Arenas Blanca Entrada (O)
<sup>4</sup> Property Code 26250	<sup>5</sup> Property Name TORREON WASH "36" STATE	<sup>6</sup> Well Number 1
<sup>7</sup> GRID No. 147380	<sup>8</sup> Operator Name PENWELL ENERGY INCORPORATED	<sup>9</sup> Elevation 6636'

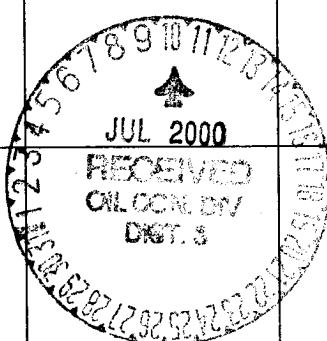
<sup>10</sup> Surface Location

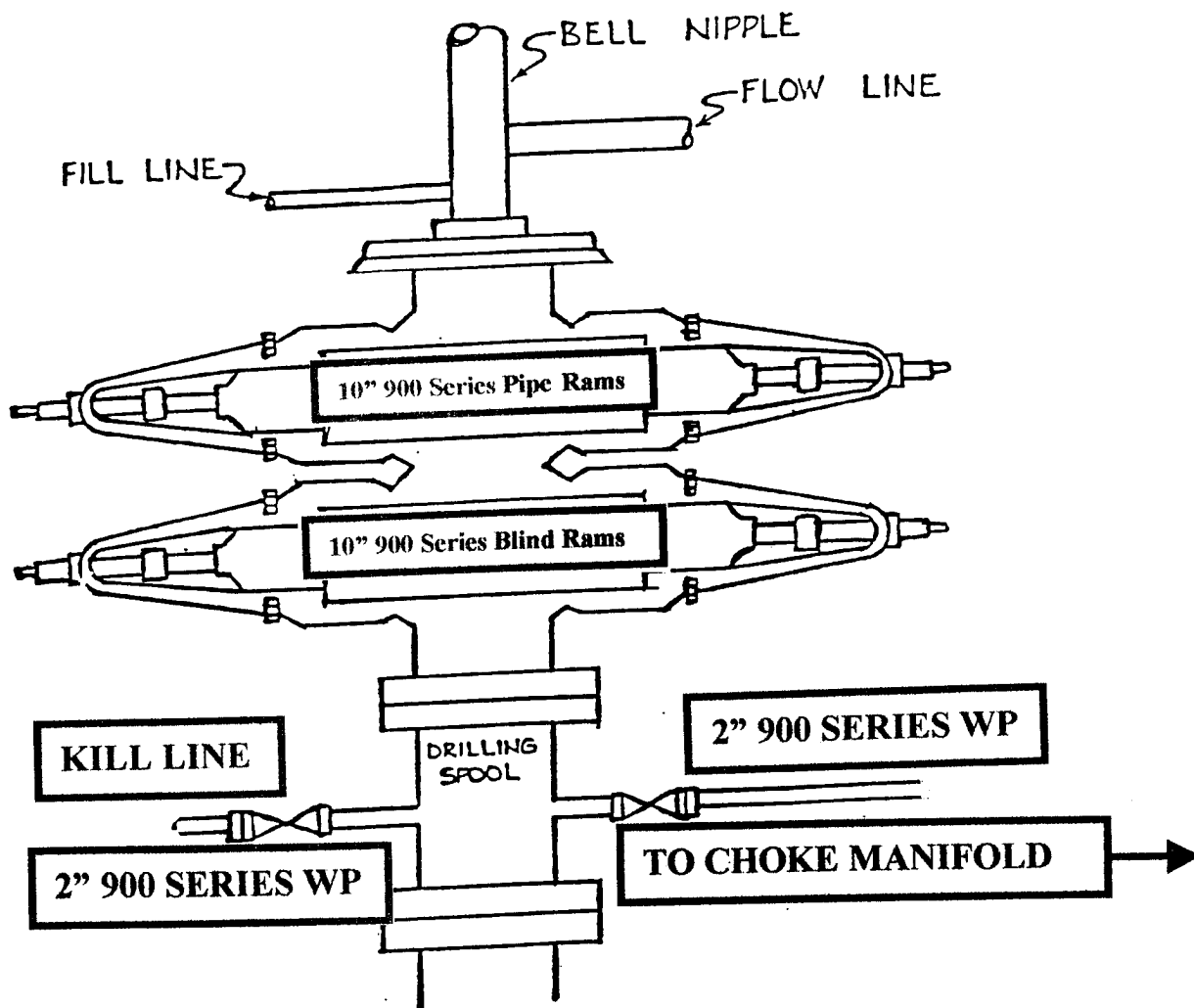
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
1	36	20-N	5-W		2143	SOUTH	1223	EAST	McKINLEY

<sup>11</sup> Bottom Hole Location If Different From Surface

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<sup>12</sup> Dedicated Acres 40	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.						

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

16		36	NSL 8H	1223'	2143	N 00-02-11 W 2,642.03'	17 OPERATOR CERTIFICATION I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief  Signature <u>Bill Pierce</u> Printed Name <u>Manager of Operations</u> Title <u>July 7, 2000</u> Date
							18 SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision and that the same is true and correct to the best of my belief  4-19 NEW MEXICO Date of Survey <u>8894</u> Signature and Seal of Professional Surveyor: <u>[Signature]</u> Certificate Number <u>8894</u>
N.M. STATE PLANE COORDINATES CENTRAL ZONE, NAD 1927 LAT: 35° 55' 08" N LONG: 107° 18' 46" W							
FD. BLM BRASS CAP 1925	N 89-52-26 W		5279.55'	FD. U.S.G.L.O. BRASS CAP 1923			



### **EXHIBIT "A"**

#### **Proposed 3,000# WP BOP Stack**

Penwell Energy, Incorporated  
 Torreon Wash "36" State #1  
 2,143' FSL & 1,223' FEL  
 Section 36 – T20N – R5W  
 McKinley County, New Mexico  
 State Lease # VA-1683