

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

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

RECEIVED  
BLM

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. NM 100800
b. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR PENWELL ENERGY, INCORPORATED		7. UNIT AGREEMENT NAME N.M. 24610
3. ADDRESS AND TELEPHONE NO. 600 N. MARIENFELD STE. 1100, MIDLAND, TEXAS 79701 915 683-2534		8. FARM OR LEASE NAME, WELL NO. PENISTAJA FEDERAL "23" #1
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 1,413' FNL & 483' FEL UNIT LETTER "H" At proposed prod. zone SAME		9. APL WELL NO. 30-043-20947
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 16 MILES WEST OF CUBA, NEW MEXICO		10. FIELD AND POOL, OR WILDCAT WILDCAT 20N4W23H, ENTRADA
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 483		11. SEC., T., R., M., OR BLK AND SURVEY OR AREA H 23-T20N-R4W
16. NO. OF ACRES IN LEASE 793.84		12. COUNTY OR PARISH SANDOVAL
17. NO. OF ACRES ASSIGNED TO THIS WELL 40		13. STATE NM
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA		19. PROPOSED DEPTH 6,000'
20. ROTARY OR CABLE TOOLS ROTARY		21. APPROX. DATE WORK WILL START* 05/01/99
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6909'		

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8", J-55	32	300' 320	210 SACKS
7 7/8"	5 1/2", J-55	17	6,000'	900 SACKS

SEE ATTACHED APD

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DIST. 3

IN ABOVE SPACE DESCRIBE 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 Bill Rin TITLE OPERATIONS MANAGER DATE 05/09/99  
(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 Joe Incardine TITLE Acting Asst Field Mgr. DATE 5/12/99  
\*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes 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.

HOLD C104 FOR NFL Q

DISTRICT II  
P.O. Drawer DD, Artesia, N.M. 88211-0719

Instructions on back  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease - 3 Copies

DISTRICT III  
1000 Rio Brazos Rd., Aztec, N.M. 87410

# OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, NM 87504-2088

DISTRICT IV  
PO Box 2088, Santa Fe, NM 87504-2088

☐ AMENDED REPORT

## WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number <b>30-043-50947</b>		*Pool Code <b>96917</b>	*Pool Name <b>Wildcat Entrada 20N4W23E-ENTRADA CO)</b>
*Property Code <b>24610</b>	*Property Name <b>PENISTAJA FEDERAL 23 #1</b>		*Well Number <b>1</b>
*OGRID No. <b>147380</b>	*Operator Name <b>PENWELL ENERGY INCORPORATED</b>		*Elevation <b>6909'</b>

### 10 Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	23	20-N	4-W		1413	NORTH	483	<del>East</del> <b>Sandoval</b>	<del>MAXXAM</del>

### 11 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

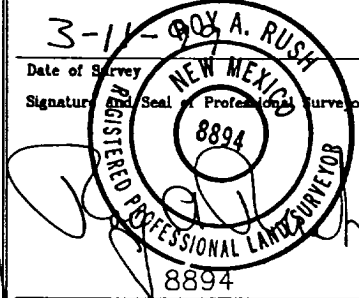
*Dedicated Acres <b>40</b>	*Joint or Infill	*Consolidation Code	*Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N 89-32-15 W 2647.05'

16	FD. BLM BRASS CAP 1923	FD. BLM BRASS CAP 1923	1413'	483'	1319.75'	5279.05'	N 0-33-53 E	2639.53'	FD. BLM BRASS CAP 1922	17 OPERATOR CERTIFICATION
										<p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Bill Pierce</i> Signature Bill Pierce Printed Name Operations Manager Title March 30, 1999 Date</p>
23										18 SURVEYOR CERTIFICATION
<p>N.M. STATE PLANE COORDINATES CENTRAL ZONE, NAD 1927 X 212708 Y 1803317</p>										<p>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.</p> <p><b>3-11-99</b> Date of Survey <i>[Signature]</i> Signature Seal of Professional Surveyor: 8894 8894 Certificate Number</p>

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# Penwell Energy, Inc.

## Penistaja Federal "23" #1

1,413' FNL & 483' FEL  
Section 23 – T20N – R4W  
Sandoval County, New Mexico  
NM 100800

### Drilling Program

#### 1. ESTIMATED FORMATION TOPS

<u>Formation Name</u>	<u>GL Depth</u>
Ojo Alamo Sandstone	surface
Kirtland – Fruitland	100'
Point Lookout Sandstone	2,250'
Gallup Sandstone	3,350'
Dakota Sandstone	4,750'
Morrison	4,900'
Todolito Anhydrite	5,700'
Entrada Sandstone	5,750'
Total Depth (TD)	6,000'

#### 2. ZONES OF INTEREST

<u>Oil and Gas Zones</u>	<u>Water Zones</u>	<u>Coal Zone</u>
Point Lookout (2,250')	Ojo Alamo (surface)	Fruitland (100')
Gallup (3,350')	Point Lookout (2,250')	
Dakota (4,700')		
Entrada (5,750')		

All fresh water zones will be protected with casing, cement, and weighted mud. These zones will be recorded by depth, cased off and cemented. Oil and gas shows will be tested for commercial potential based on the well site geologist's recommendations.

