

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.

147380

3. ADDRESS AND TELEPHONE NO.

600 N. Marienfeld, Ste. 1100; Midland, TX. 79701 915 683-2534

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*

At surface

330' FNL & 2310' FEL

At proposed prod. zone

361 ~~same~~ ENI 2310 FEL

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

Approximately 20 miles west, southwest of Cuba, NM.

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

330'

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.

247'

19. PROPOSED DEPTH

3,800'

20. ROTARY OR CABLE TOOLS

Rotary

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

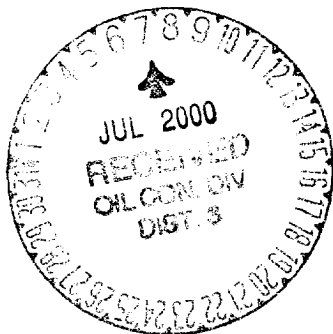
6,737' GR

22. APPROX. DATE WORK WILL START*

Upon BLM Approval

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE, SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|-----------------------|-----------------|---------------|--------------------|
| 11" | 8 5/8", J55 | 24 | 350'+/- | 175 sks. +/- |
| 7 7/8" | 5 1/2", J55 | 17 | 3,800'+/- | 450 sks. +/- |



SEE ATTACHED DRILLING AND SURFACE USE PROGRAM

COPY

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

Bill Pierce

Bill Pierce

TITLE

Manager of Operations

DATE

May 24, 2000

(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

David R. Stetler

Acting Asst Field Mgr

DATE

JUN 28 2000

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, N.M. 88241-1980

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

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

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

State of New Mexico
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
P.O. Box 2088
Santa Fe, NM 87504-2088

Form C-102
Revised February 21, 1994
Instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

| | | |
|---|---|--|
| ¹ API Number 30-043-20950 | ² Pool Code 97029 | ³ Pool Name Wilcat-19N4W8B; Marcos (O) |
| ⁴ Property Code 25148 | ⁵ Property Name EAGLE SPRINGS "8" FEDERAL | ⁶ Well Number 2-M |
| ⁷ OCRID No. 147380 | ⁸ Operator Name PENWELL ENERGY INCORPORATED | ⁹ Elevation 6737' |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|----------|
| B | 8 | 19-N | 4-W | | 330 | NORTH | 2310 | EAST | SANDOVAL |

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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| B | 8 | 19N | 4W | | 361 | North | 2310 | East | |

| ¹² Dedicated Acres | ¹³ Joint or Infill | ¹⁴ Consolidation Code | ¹⁵ 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

S 89-57-00 W (RECORD)

| | | | |
|--|--|------------------------|---|
| 16 | | FD. BLM BRASS CAP 1923 | 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>Bill Pierce</u> Title <u>Manager of Operations</u> Date <u>April 11, 2000</u> |
| N.M. STATE PLANE COORDINATES CENTRAL ZONE, NAD 1927 LAT: 35° 53' 53" N LONG: 107° 16' 51" W | | | 18 |
| COPY | | | 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. Date of Survey <u>4-5-2000</u> Signature <u>[Signature]</u> Seal of Professional Surveyor: <u>8894</u> Certificate Number <u>8894</u> |

3. PRESSURE CONTROL

The drilling contractor has not been selected as of this date so the exact BOP configuration to be used is not yet known. A typical 3,000 psi stack(900 series)is shown on [REDACTED]. A 900 series (3,000# WP) choke manifold system [REDACTED] will be installed and tested to 1,000 psi before drilling out the surface casing plug. Any leaks will be repaired and corrected before drill out occurs.

This BOP and choke manifold will remain in use until the well is plugged or production casing is run. A full opening safety valve shall be on the rig floor at all times in the open position. This valve will have a thread design to be compatible with the drill pipe and drill collars.

All BOP pressure and daily mechanical tests will be recorded on the driller's log. BOP's will be inspected and operated daily to assure good mechanical working order. Inspections will be recorded on the daily drilling report. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place.

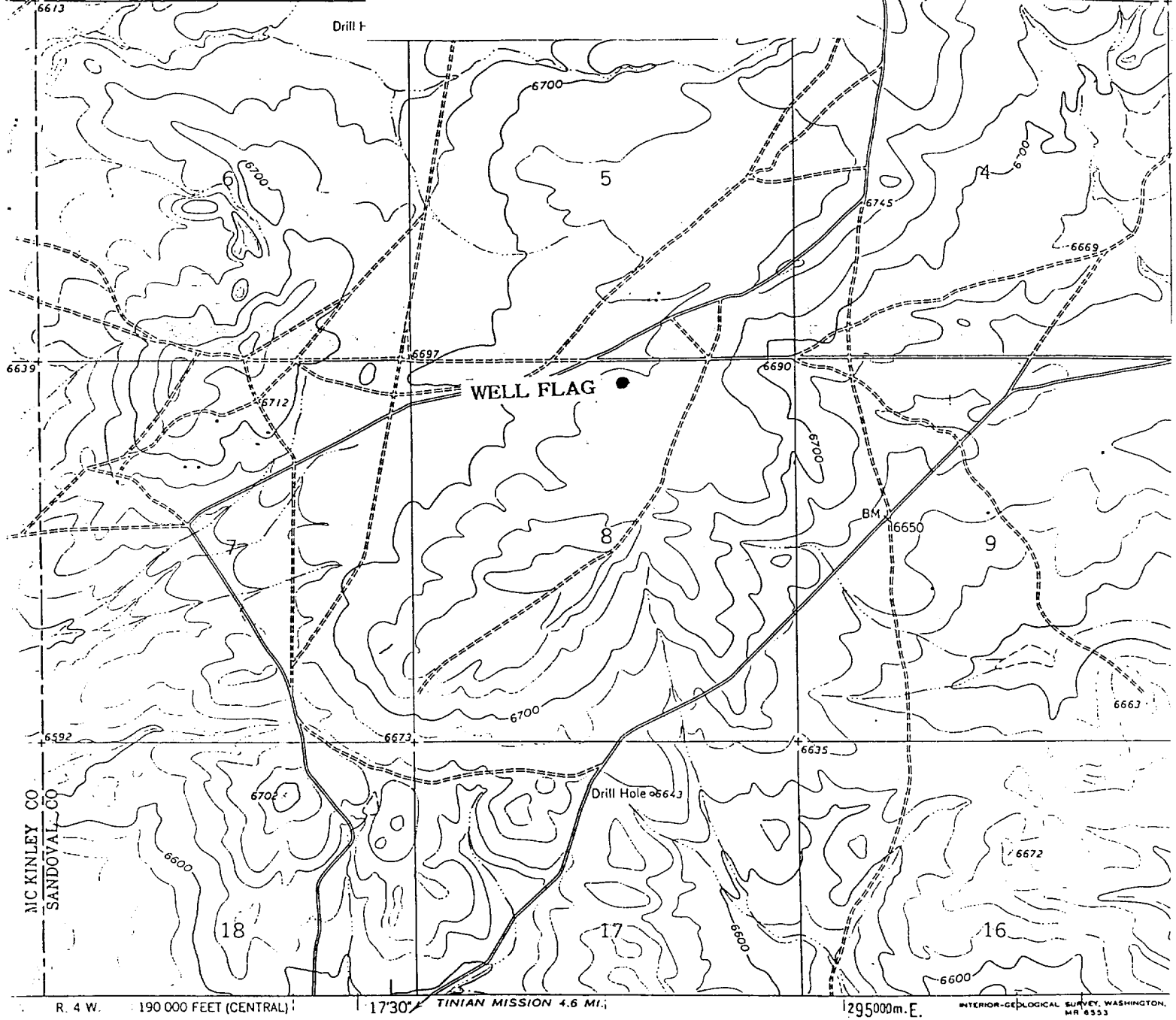
4. CASING AND CEMENT

| <u>Hole Size</u> | <u>Csg. O.D.</u> | <u>Weight/Ft.</u> | <u>Grade</u> | <u>Thread Type</u> | <u>Condition</u> | <u>Depth</u> |
|------------------|------------------|-------------------|--------------|--------------------|------------------|--------------|
| 11" | 8 5/8" | 24# | J-55 | 8rd STC | New-LS | 350' |
| 7 7/8" | 5 1/2" | 17# | J-55 | 8rd STC | New-LS | 3,800' |

The surface casing will be cemented to the surface with +/- 175 sacks of Class "B" cement containing 3% CaCl₂ + 1/4#/sack cellophane flakes. Volume is based on approximately 200% excess. A guide shoe will be run on the bottom of the first joint and a insert float will be run in the collar of the first joint. Centralizers will be installed on the first three joints.

Production casing will be cemented to the surface in one stage. A float shoe will be run on the bottom of the first joint and a float collar will be run in the collar of the first joint of production casing. Centralizers will be placed according to indicated pay zones.. Actual cement volumes will be determined using the open-hole log caliper plus 25% excess.

**PENWELL ENERGY INC
EAGLE SPRINGS "8" FEDERAL #2-M
NE/4 SEC. 8, T-19-N, R-4-W, N.M.P.M.,
SANDOVAL COUNTY, NEW MEXICO.
330' FNL, 2310' FEL**



**EXHIBIT "G"
TOPOGRAPHIC MAP**

**Penwell Energy, Incorporated
Eagle Springs "8" Federal #2-M
330' FNL & 2,310' FEL
Section 8 - T19N - R4W
Sandoval County, New Mexico
NM 99705**

ROAD CLASSIFICATION

Light-duty _____ Unimproved

OJO ENCINO MES.
N3552.5-W1071

1961

LIBRARY STANDARDS
COLORADO OR WASHINGTON 25, D.C.
BOLTS IS AVAILABLE ON REQUEST