

DATE IN 6/10/99	SUSPENSE 6/30/99	ENGINEER MS	LOGGED BY KN	TYPE NSL
-----------------	------------------	-------------	--------------	----------

ABOVE THIS LINE FOR DIVISION USE ONLY

NEW MEXICO OIL CONSERVATION DIVISION

- Engineering Bureau -

2040 South Pacheco, Santa Fe, NM 87505



ADMINISTRATIVE APPLICATION COVERSHEET

THIS COVERSHEET IS MANDATORY FOR ALL ADMINISTRATIVE APPLICATION FOR EXCEPTIONS TO DIVISION RULES AND REGULATIONS WHICH REQUIRE PROCESSING AT THE DIVISION LEVEL IN SANTA FE

Application Acronyms:

☐ [NSP-Non-Standard Proration Unit] ☐ [NSL-Non-Standard Location]
☐ [DD-Directional Drilling] ☐ [SD-Simultaneous Dedication]
☐ [DHC-Downhole Commingling] ☐ [CTB-Lease Commingling] ☐ [PLC-Pool/Lease Commingling]
☐ [PC-Pool Commingling] ☐ [OLS - Off-Lease Storage] ☐ [OLM-Off-Lease Measurement]
☐ [WFX-Waterflood Expansion] ☐ [PMX-Pressure Maintenance Expansion]
☐ [SWD-Salt Water Disposal] ☐ [IPI-Injection Pressure Increase]
☐ [EOR-Qualified Enhanced Oil Recovery Certification] ☐ [PPR-Positive Production Response]

[1] TYPE OF APPLICATION - Check Those Which Apply for [A]

[A] Location - Spacing Unit - Directional Drilling

☒ NSL ☐ NSP ☐ DD ☐ SD

Check One Only for [B] or [C]

[B] Commingling - Storage - Measurement

☐ DHC ☐ CTB ☐ PLC ☐ PC ☐ OLS ☐ OLM

[C] Injection - Disposal - Pressure Increase - Enhanced Oil Recovery

☐ WFX ☐ PMX ☐ SWD ☐ IPI ☐ EOR ☐ PPR

[2] NOTIFICATION REQUIRED TO: - Check Those Which Apply, or ☐ Does Not Apply

[A] ☐ Working, Royalty or Overriding Royalty Interest Owners

[B] ☐ Offset Operators, Leaseholders or Surface Owner

[C] ☐ Application is One Which Requires Published Legal Notice

[D] ☒ Notification and/or Concurrent Approval by BLM or SLO
U.S. Bureau of Land Management - Commissioner of Public Lands, State Land Office

[E] ☒ For all of the above, Proof of Notification or Publication is Attached, and/or,

[F] ☐ Waivers are Attached

[3] INFORMATION / DATA SUBMITTED IS COMPLETE - Certification

I hereby certify that I, or personnel under my supervision, have read and complied with all applicable Rules and Regulations of the Oil Conservation Division. Further, I assert that the attached application for administrative approval is accurate and complete to the best of my knowledge and where applicable, verify that all interest (WI, RI, ORRI) is common. I understand that any omission of data (including API numbers, pool codes, etc.), pertinent information and any required notification is cause to have the application package returned with no action taken.

Note: Statement must be completed by an individual with managerial and/or supervisory capacity.

Bill Pierce
 Print or Type Name

Signature

Operations Manager
 Title

Date

6/18/99

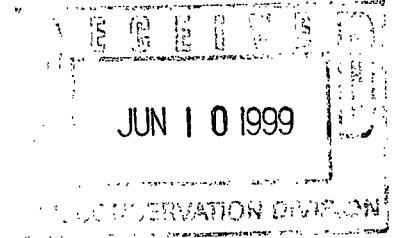
PENWELL ENERGY, INC.

1100 ARCO BUILDING
600 N. MARIENFELD
MIDLAND, TEXAS 79701

OFF: (915) 683-2534
FAX: (915) 683-4514

June 8, 1999

~~Mr. David Catanach~~
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, New Mexico 87505



RE: NSL Application for Penistaja Federal "23" #1
1,413' FNL & 483' FEL
Unit Letter "H"
Section 23 - T20N - R4W
Sandoval County, New Mexico
API # 30-043-20947

Dear Mr. Catanach,

Pursuant to New Mexico Oil Conservation Division Rule 104.F, Penwell hereby submits five (5) copies of an application for administrative approval of a non-standard location (NSL) for the above referenced well.

Please contact me at the above letterhead if you have any questions regarding this application.

Sincerely,

Bill Pierce
Operations Manager

PENWELL ENERGY, INC.

1100 ARCO BUILDING
600 N. MARIENFELD
MIDLAND, TEXAS 79701

OFF: (915) 683-2534
FAX: (915) 683-4514

May 19, 1999

Bureau of Land Management
435 Montano NE
Albuquerque, New Mexico 87107-4935

RE: NSL Application for Penistaja Federal "23" #1

Pursuant to New Mexico Oil Conservation Division Rules, this registered letter shall serve as notification of the following non-standard location for the above referenced well. This letter is strictly for notification purposes only and no action is required by the BLM regarding this matter.

Well Name: Penistaja Federal "23" #1
Lease Number: NM 100800
Legal Description: 1,413' FNL & 483' FEL, Sec. 23 - T20N - R4W
Sandoval County, New Mexico.
Applicant's Name: Penwell Energy, Inc.
Applicant's Address: 600 N. Marienfeld Ste. 1100
Midland, TX. 79701

Additional Information: An application for a non-standard location will be filed with the NMOCD this week. If they determine the application complies with the applicable administrative regulations, approval will be granted.

The New Mexico Oil Conservation Division address is:

2040 S. Pacheco
Santa Fe, New Mexico 87504

Sincerely,



Bill Pierce
Operations Manager

Is your RETURN ADDRESS completed on the reverse side?

SENDER:

- Complete items 1 and/or 2 for additional services.
- Complete items 3, 4a, and 4b.
- Print your name and address on the reverse of this form so that we can return this card to you.
- Attach this form to the front of the mailpiece, or on the back if space does not permit.
- Write "Return Receipt Requested" on the mailpiece below the article number.
- The Return Receipt will show to whom the article was delivered and the date delivered.

I also wish to receive the following services (for an extra fee):

1. ☐ Addressee's Address
2. ☐ Restricted Delivery

Consult postmaster for fee.

3. Article Addressed to:

Bureau of Land Management
435 Montano NE
Albuquerque, New Mexico 87107-4935

4a. Article Number

Z 137 524 400

4b. Service Type

- | | |
|--|---|
| <input type="checkbox"/> Registered | <input checked="" type="checkbox"/> Certified |
| <input type="checkbox"/> Express Mail | <input type="checkbox"/> Insured |
| <input checked="" type="checkbox"/> Return Receipt for Merchandise | <input type="checkbox"/> COD |

7. Date of Delivery

6/1/99

5. Received By: (Print Name)

James Nally

6. Signature: (Addressee or Agent)

X

8. Addressee's Address (Only if requested and fee is paid)

PS Form 3811, December 1994

102595-97-B-0179

Domestic Return Receipt

UNITED STATES POSTAL SERVICE



First-Class Mail
Postage & Fees Paid
USPS
Permit No. G-10

• Print your name, address, and ZIP Code in this box •

Cathy Livingston
Penwell Energy, Inc.
600 N. Marienfeld, Ste 1100
Midland, Texas 79701

**REQUEST FOR ADMINISTRATIVE APPROVAL FOR NON-STANDARD
LOCATION FOR PENWELL ENERGY'S
PENISTAJA FEDERAL "23" #1 OIL WELL
1,413' FNL & 483' FEL "H"
Section 23 - T20N - R4W
Sandoval County, New Mexico
API # 30-043-20947**

1. The well is on BLM surface and minerals. The BLM lease number for this well is NM 100800 (Approved 3160-3 attached). The existing location is a non-standard (93' from north quarter- quarter line of unit letter "H") location as per OCD rules.
2. The attached C-102 shows the well location and proration unit (SE4/NE4 of Sec. 23 which is a standard 40 acre oil-proration unit).
3. According to NMOCD records, there is no production within a one (1) mile radius of the location. There is a NSL oil well located in the NW4/SE4 of section 27 of the same township and range. This well is the Limark Corporation Federal "27" #1 well.
4. All offset 40 acre proration units are owned by Penwell Energy as per the attached acreage map. All Penwell held acreage is colored yellow.
5. The location was selected based on a 1998 3-D seismic survey with lines spaced @ quarter mile intervals. A standard drilling unit does not allow drilling at the highest point of the structure as evidenced by the attached 3-D seismic image for this section.
6. Directional drilling is not feasible because it is not cost effective for this wildcat well.

7. I hereby certify that notice has been sent to the surface management and mineral management agency responsible for this acreage, there are no off-setting operators on one or more sides which adjoin the applicant's spacing unit, or the single closest corner to the location and that the information presented is true and correct to the best of my knowledge. (Bureau of Land Management Albuquerque field office.)

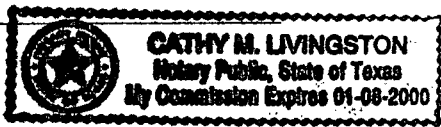
Signature: Bill Pierce
Name & Title: Bill Pierce - Operations Manager
Date: June 8, 1999

STATE OF TEXAS)
) SS:
COUNTY OF MIDLAND)

The foregoing instrument was acknowledged before me on this 8th day of June, 1999 by Bill Pierce.
Witness my hand and seal.

Cathy M. Livingston
Notary Public - Cathy Livingston

My commission expires: _____



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 30-043-20947	² Pool Code	³ Pool Name
⁴ Property Code	⁵ Property Name PENISTAJA FEDERAL 23 #1	⁶ Well Number 1
⁷ GRID No. 147380	⁸ Operator Name PENWELL ENERGY INCORPORATED	⁹ Elevation 6909'

¹⁰ Surface Location

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

¹² Dedicated Acres 40	¹³ Joint or Infill	¹⁴ Consolidation Code	¹⁵ Order No.
-------------------------------------	-------------------------------	----------------------------------	-------------------------

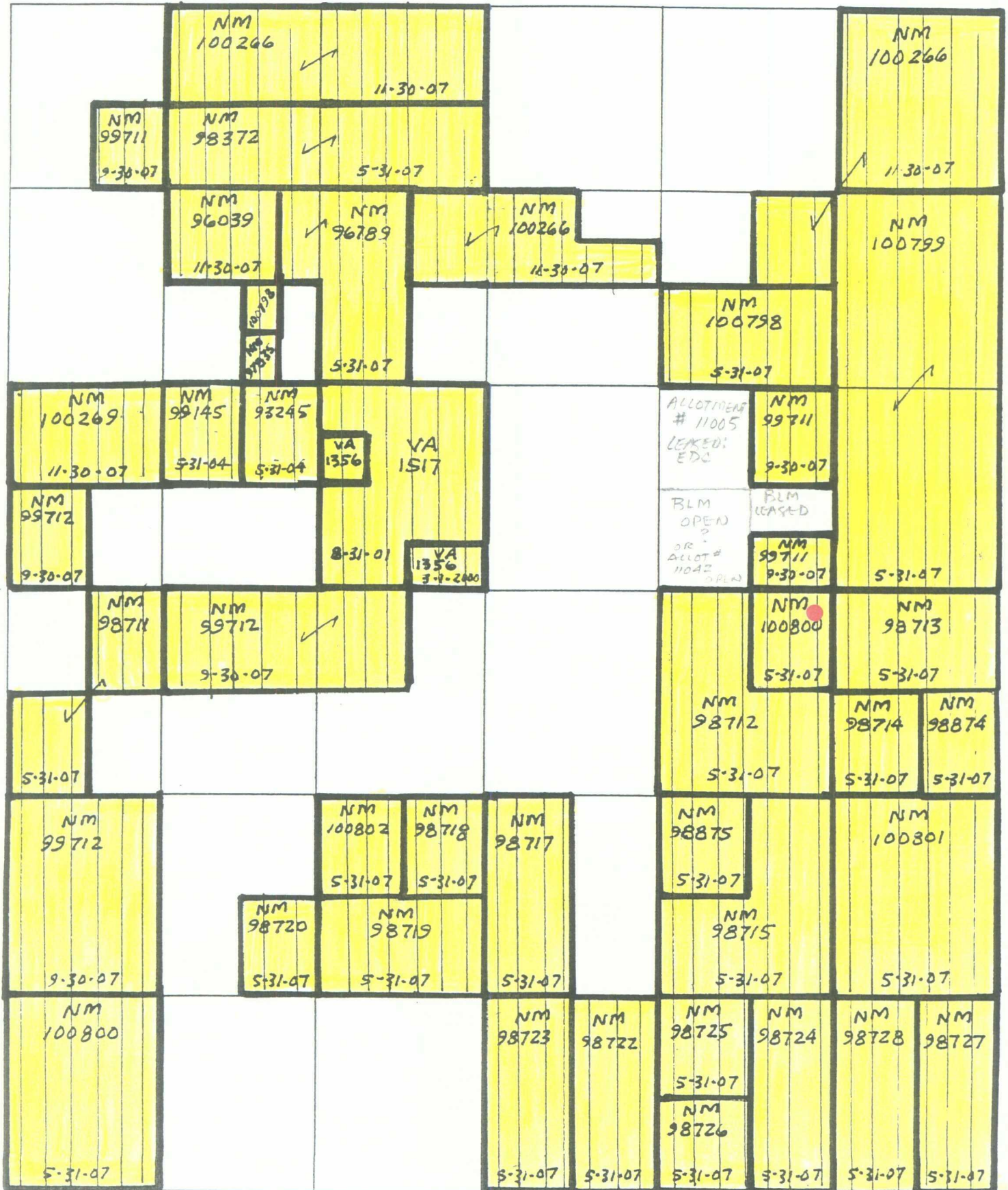
NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

N 89-32-15 W 2647.05'

16	FD. BLM BRASS CAP 1923	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>Operations Manager</u> Date <u>March 30, 1999</u>
NM 98712	NM 100800	1413'	483'	1319.75'
23	NM 98712	5279.05'	0-33-53 E	2639.53'
N.M. STATE PLANE COORDINATES CENTRAL ZONE, NAD 1927 X 212708 Y 1803317	FD. BLM BRASS CAP 1922	8894	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. Date of Survey <u>3-11-99</u> Signature <u>A. RUSH</u> Seal of Professional Surveyor 8894 Certificate Number

20N-4W

SANDOVAL COUNTY, NM

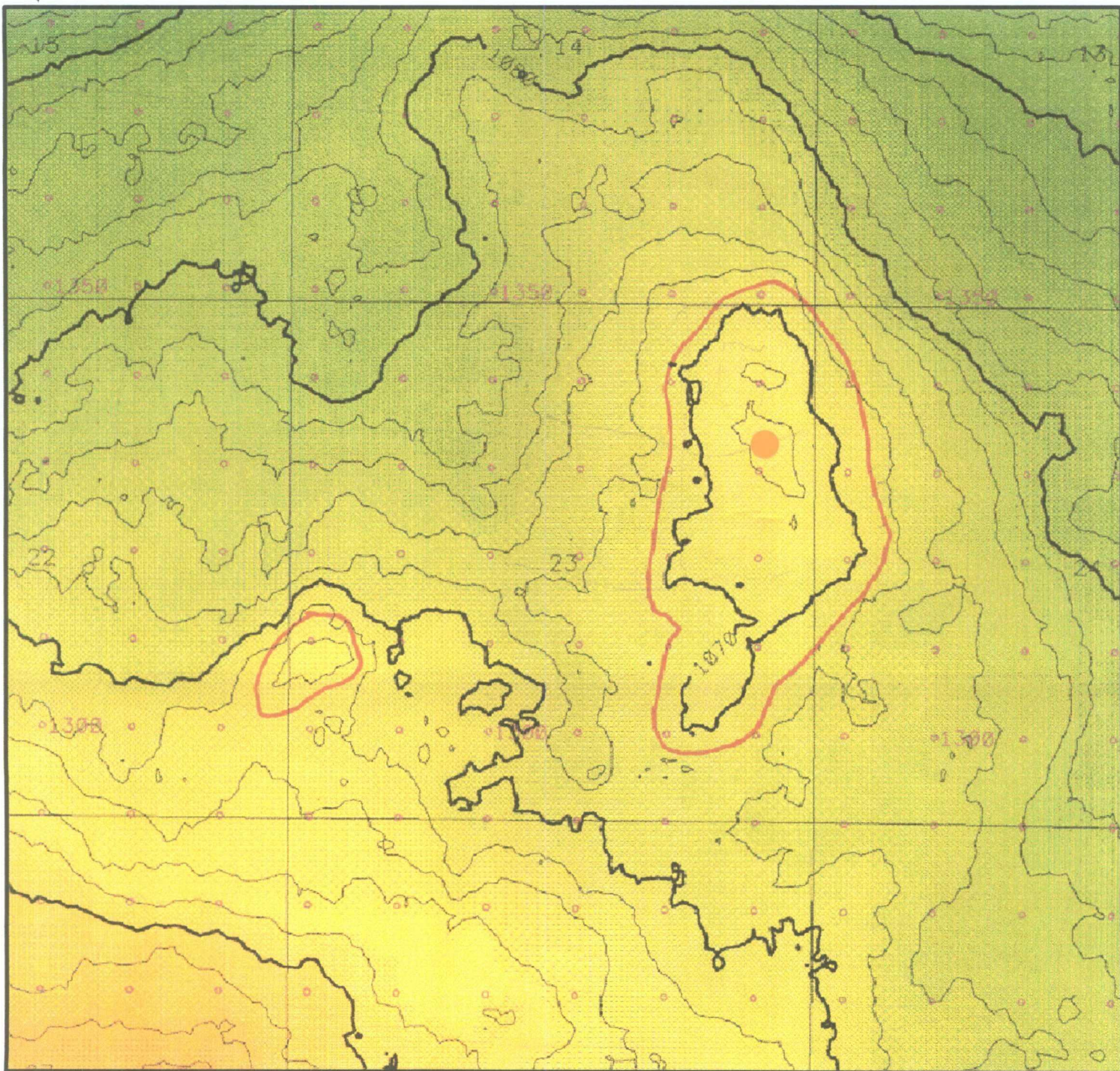


Penwell Energy Acreage



BLM Open Acreage





PENISTAJA FEDERAL "23" #1
1,413' FNL & 483' FEL
Section 23 - T20N - R4W
Sandoval County, New Mexico
Federal Lease #NM-100800

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

RECEIVED
MAY 28 1999

OIL CON. DIV.

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Penwell Energy, Inc.

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,413' FNL & 483' FEL Unit Letter "H"
Section 23-T20N-R4W

5. Lease Designation and Serial No.

NM 100800

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Penistaja Federal 23 #1

9. API Well No.

30-043-20947

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Sandoval, NM.

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☐ Altering Casing
☐ Other _____
- ☒ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Penwell Energy Inc. requests that a new proposed total depth for the above well of 6,400' be granted. This additional 400' of depth is needed to adequately log all 3D seismic intervals. The additional depth will not encounter any abnormally pressured formations and the current well design is adequate to handle the additional depth request.

14. I hereby certify that the foregoing is true and correct

Signed Bill Pierce Title Manager of Operations

Date 05/24/99

(This space for Federal or State office use)

Approved by Paul R. Stettin Title Lands and Mineral Resources

Date MAY 27 1999

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Penwell Energy, Inc.

3. Address and Telephone No.

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,413' FNL & 483' FEL, Sec. 23-T20N-R4W
Unit Letter "H"

5. Lease Designation and Serial No.

NM 100800

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Penistaja Federal 23 #1

9. API Well No.

30-043-20947

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Sandoval, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- ☐ Notice of Intent
☒ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

- ☐ Abandonment
☐ Recompletion
☐ Plugging Back
☐ Casing Repair
☒ Altering Casing
☐ Other

- ☐ Change of Plans
☐ New Construction
☐ Non-Routine Fracturing
☐ Water Shut-Off
☐ Conversion to Injection
☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

As per two telephone conversations between Bill Pierce of Penwell Energy, Inc. and Ms. Pat Hester of the Albuquerque BLM office, approval was granted to change the 8 5/8" surface casing weight from the 32# as originally proposed to 28#, J-55, 8rd LTC surface casing. This casing design change was approved by Mr. Dave Sitzler of the same Albuquerque BLM office. The final phone call granting approval was @ approximately 4:30 PM, CST, 5-20-99.

14. I hereby certify that the foregoing is true and correct

Signed

Bill Pierce

Manager of Operations

Date 5/21/99

(This space for Federal or State office use)

Approved by

Title

Lands and Mineral Resource

Date

MAY 27 1999

Conditions of approval, if any:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995RECEIVED
BLM5. LEASE DESIGNATION AND SERIAL NO.
NM 100800

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
PENISTAJA FEDERAL "23" #1

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK.
AND SURVEY OR AREA

H 23-T20N-R4W

12. COUNTY OR PARISH
SANDOVAL13. STATE
NM

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

99 APR 13 PM 11:07

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐

OTHER

SINGLE
ZONE ☒DIPLOMATIC ZONE ☐

2. NAME OF OPERATOR

PENWELL ENERGY, INCORPORATED

3. ADDRESS AND TELEPHONE NO.

600 N. MARIENFELD STE. 1100, MIDLAND, TEXAS 79701 915 683-2534

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

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

16 MILES WEST OF CUBA, NEW MEXICO

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drip, unit line, if any)

483

16. NO. OF ACRES IN LEASE

793.84

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.

NA

19. PROPOSED DEPTH

6,000'

20. ROTARY OR CABLE TOOLS

ROTARY

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

6909'

22. APPROX. DATE WORK WILL START*

05/01/99

23.

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

RECEIVED
MAY 14 1999
OIL CON. DIV.
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 Kim

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

MAY 12 1999

*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 USL (2)

DISTRICT II
P.O. Drawer DD, Artesia, N.M. 88211-0719DISTRICT III
1000 Rio Brazos Rd., Aztec, N.M. 87410DISTRICT IV
PO Box 2088, Santa Fe, NM 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, NM 87504-2088instructions on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

*API Number 30-043-20947		*Pool Code 96917	*Pool Name Wildcat Entrada 20N4W23H; ENTRADA CO
*Property Code 24610	*Property Name PENISTAJA FEDERAL 23 #1		*Well Number 1
*OGRID No. 147380	*Operator Name PENWELL ENERGY INCORPORATED		*Elevation 6909'

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	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
*Dedicated Acres 40		*Joint or Infill		*Consolidation Code		*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

N 89-32-15 W 2647.05'

16	FD. BLM BRASS CAP 1923	FD. BLM BRASS CAP 1923	1413'	483'	1319.75'	3279.05'	N 0-33-53 E	2639.53'	FD. BLM BRASS CAP 1922	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>Operations Manager</u> Date <u>March 30, 1999</u>
										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. 3-11-99 A. RUSH Date of Survey Signature <u>[Signature]</u> Seal of Professional Surveyor: 8894 8894 Certificate Number

RECEIVED
MAY 14 1999
OIL CON. DIV.
DIST. 3

N.M. STATE PLANE COORDINATES
CENTRAL ZONE, NAD 1927
X 212708
Y 1803317

Penwell Energy, Inc.

Penistaja Federal "23" #1

1,413' FNL & 483' FEL

Section 23 – T20N – R4W

Sandoval County, New Mexico

NM 100800

Drilling Program

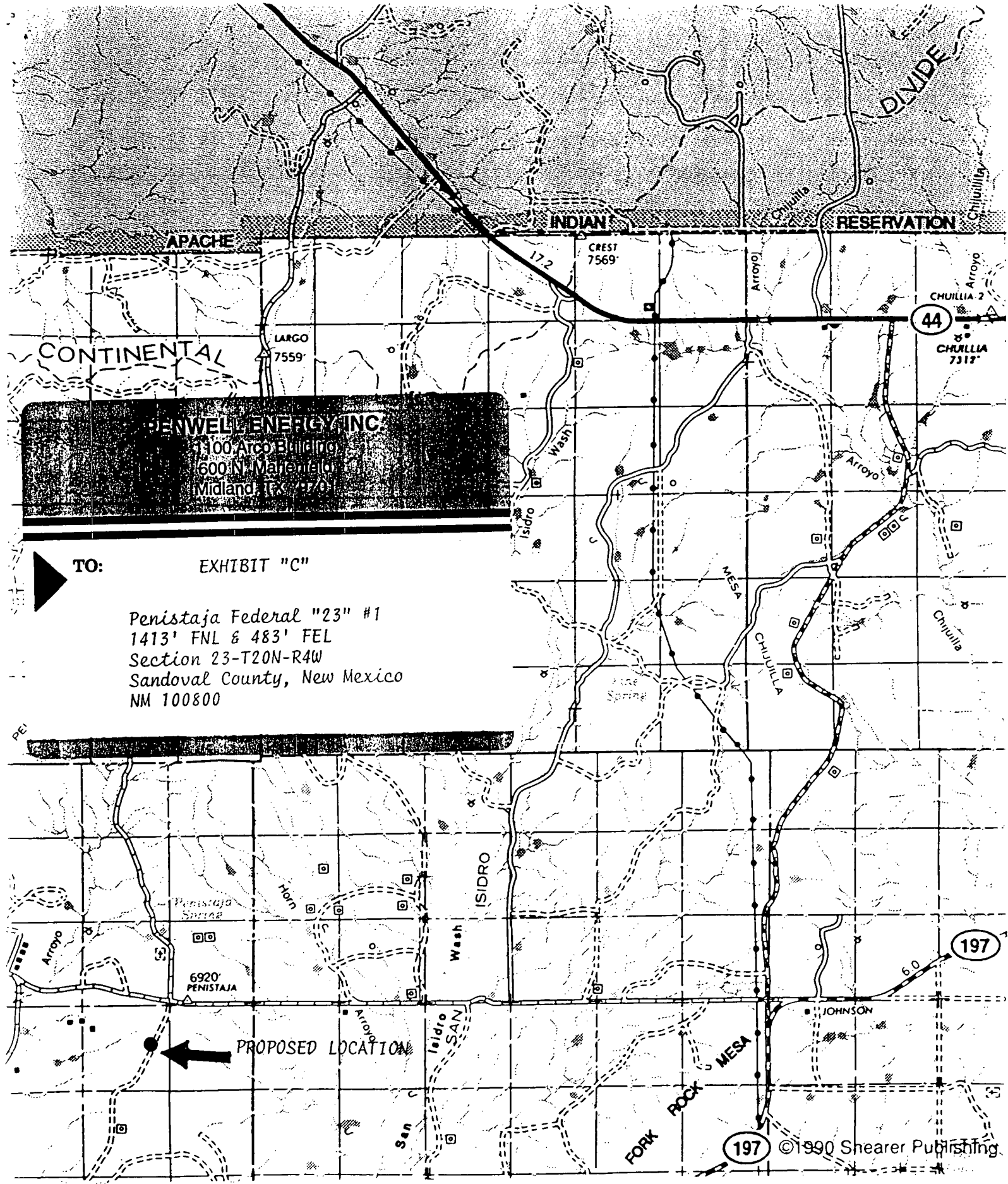
1. ESTIMATED FORMATION TOPS

<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.



CMD : ONGARD 06/29/99 11:54:56
OG6C101 C101-APPLICATION FOR PERMIT TO DRILL OGOMES -TPR2

OGRID Idn : 147380 API Well No: 30 43 20947 APD Status(A/C/P): A
Opr Name, Addr: PENWELL ENERGY INC Aprvl/Cncl Date : 05-12-1999
1100 ARCO BLDG
600 N MARIENFELD
MIDLAND, TX 79701

Prop Idn: 24610 PENISTAJA FEDERAL 23 Well No: 1

	U/L	Sec	Township	Range	Lot	Idn	North/South	East/West
	---	---	-----	-----	-----	-----	-----	-----
Surface Locn	: H	23	20N	04W			FTG 1413 F N	FTG 483 F E
OCD U/L	: H		API	County	: 43			

Work typ(N/E/D/P/A) : N Well typ(O/G/M/I/S/W/C): G Cable/Rotary (C/R) : F
Lease typ(F/S/P/N/J/U/I): F Ground Level Elevation : 6909

State Lease No: Multiple Comp (Y/N) : N
Prpsd Depth : 6000 Prpsd Frmtn : WC 20N4W23H ENTRADA

E0009: Enter data to modify record

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06 CONFIRM
PF07	PF08	PF09 PRINT	PF10 C102	PF11 HISTORY	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/29/99 11:55:36
OGOMES -TPR2
PAGE NO: 1

Sec : 23 Twp : 20N Rng : 04W Section Type : NORMAL

D 40.00 Federal owned	C 40.00 Federal owned	B 40.00 Federal owned	A 40.00 Federal owned
E 40.00 Federal owned	F 40.00 Federal owned	G 40.00 Federal owned	H 40.00 Federal owned A

M0002: This is the first page

PF01 HELP	PF02	PF03 EXIT	PF04 GoTo	PF05	PF06
PF07 BKWD	PF08 FWD	PF09 PRINT	PF10 SDIV	PF11	PF12

CMD :
OG5SECT

ONGARD
INQUIRE LAND BY SECTION

06/29/99 11:55:39
OGOMES -TPR2
PAGE NO: 2

Sec : 23 Twp : 20N Rng : 04W Section Type : NORMAL

L 40.00 Federal owned	K 40.00 Federal owned	J 40.00 Federal owned	I 40.00 Federal owned
M 40.00 Federal owned	N 40.00 Federal owned	O 40.00 Federal owned	P 40.00 Federal owned

PF01 HELP
PF07 BKWD

PF02
PF08 FWD

PF03 EXIT
PF09 PRINT

PF04 GoTo
PF10 SDIV

PF05
PF11

PF06
PF12