

N.M. OIL CONS. COMMISSION

O. BOX 1980

HOBBS, NEW MEXICO 88240

UNITED STATES

DEPARTMENT OF THE INTERIOR

BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(Other instructions on
reverse side)

FORM APPROVED

OMB NO. 1004-0136

Expires: February 28, 1995

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL ☒ DEEPEN ☐		5. LEASE DESIGNATION AND SERIAL NO. LC - 069276	
b. TYPE OF WELL OIL WELL ☒ GAS WELL ☐ OTHER ☐		6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
2. NAME OF OPERATOR Penwell Energy Inc.		7. UNIT AGREEMENT NAME	
3. ADDRESS AND TELEPHONE NO. 600 N. Marienfeld, Ste. 1100, Midland, Texas 79701 (915) 683-2534		8. FARM OR LEASE NAME, WELL NO. West Corbin "19" Federal#4	
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2173' FNL & 1787' FWL At proposed prod. zone same Unit F		9. API WELL NO.	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 32 miles West from Hobbs, New Mexico		10. FIELD AND POOL, OR WILDCAT Corbin S. Wolfcamp	
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1480'		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 19, T18S, R33E	
16. NO. OF ACRES IN LEASE 520		12. COUNTY OR PARISH Lea	
17. NO. OF ACRES ASSIGNED TO THIS WELL 84.69		13. STATE N.M.	
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3812' GR Capitan Controlled Water Basin		22. APPROX. DATE WORK WILL START* July 10, 1996	

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	48#	450'	350 sx Cl. "C" cmt + additives
11"	8 5/8"	32#	2850'	475 sx Lite + 200sx "C"
7 7/8"	5 1/2"	17#	11350'	400 sx Cl. "H" - SEE STIPS.

1. Drill 17 1/2" hole to 450'. Run and set 450' of 13 3/8" 48#, H-40, ST&C casing. Cement w/350 sx Class "C" cement + additives. Circulate cement to surface.
2. Drill 11" hole to 2,850'. Run and set 2,850' of 8 5/8" 40#, 8-R, ST&C, J-55 casing. Cement w/475 sacks Lite + 200 sacks "C". Circulate cement to surface.
3. Drill 7 7/8" hole to 11,350'. Run and set casing @ 11,350'. Cement casing with 400 sacks Class "H". Estimated top of cement 7,000'.

OPER. OGRID NO. 147380PROPERTY NO. 18972POOL CODE 13320EFF. DATE 7/10/96API NO. 30-025-33510Approval Subject to
General Requirements and
Special Stipulations
Attached

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 Brenda Coffman TITLE Production Analyst DATE May 6, 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 /s/ TIMOTHY J. BURKE TITLE Acting Area Manager DATE 7-3-96

*See Instructions On Reverse Side

INSTRUCTIONS

GENERAL: This form is designed for submitting proposals to perform certain well operations, as indicated, on all types of lands and leases for appropriate action by either a Federal or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office.

ITEM 1: If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable State or Federal regulations concerning subsequent work proposals or reports on the well.

ITEM 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

ITEM 14: Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plat, separate or on this reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal or State agency offices.

ITEMS 15 AND 18: If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective production zone.

ITEM 22: Consult applicable Federal or State regulations, or appropriate officials, concerning approval of the proposal before operations are started.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR Part 3160.

PRINCIPAL PURPOSE: The information is to be used to process and evaluate your application for permit to drill or deepen an oil or gas well.

ROUTINE USES: (1) The analysis of the applicant's proposal to discover and extract the Federal or Indian resources encountered. (2) The review of procedures and equipment and the projected impact on the land involved. (3) The evaluation of the effects of proposed operation on surface and subsurface water and other environmental impacts. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions, as well as routine regulatory responsibility.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this application and disclosure of the information is mandatory only if the operator elects to initiate drilling operation on an oil and gas lease.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 30 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (Alternate) Bureau Clearance Officer, (WO-771), 1849 C Street, N.W., Washington, D.C. 20240, and the Office of Management and Budget, Paperwork Reduction Project (1004-0136), Washington, D.C. 20503.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501 et seq) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases.

This information will be used to analyze and approve applications.

Response to this request is mandatory only if the operator elects to initiate drilling operations on an oil and gas lease.

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33510	Pool Code 13320	Pool Name Corbin S. Wolfcamp
Property Code 18972	Property Name West Corbin "19" Federal	Well Number 4
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3812'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	19	18 S	33 E		2173	North	1787	West	Lea

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 90	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

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Brenda Coffman Printed Name May 6, 1996 Date Title Date
	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. April 18, 1996 Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 6154c Certificate No. Cory L. Jones 7977 BASIN SURVEYS

Form 3160-5
(June 1990)UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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. (915) 683-2534

3. Address and Telephone No.

600 N. Marienfeld, Ste. 1100, Midland, Tx. 79701

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

2173' FNL & 1787' FWL

FORM APPROVED

Budget Bureau No. 1001-0135
Expires: March 31, 1993

5. Lease Designation and Serial No.

LC - 069276

6. If Indian, Alaska or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

West Corbin 19 Fed. #4

9. API Well No.

10. Field and Pool, or Exploratory Area

Corbin S. Wolfcamp

11. County or Parish, State

Lea

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

TYPE OF SUBMISSION

☐ Notice of Interest☐ 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.)

* Attached, please find a copy of the agreement between Janice Caviness, surface owner of location and Penwell Energy.

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

Signed Brenda ColmanTitle Production AnalystDate July 3, 1996

(This space for Federal or State office use)

Approved by _____

Conditions of approval, if any: _____

Title _____

Date _____

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any U.S. Government official or representative any false statement or representations as to any matter within its jurisdiction.

Revers

APPLICATION TO DRILL

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL #4
2173' FNL & 1787' FWL
SECTION 19, T18S, R33E
LEA COUNTY, NEW MEXICO

In response to questions asked under Section II B of Bulletin NTL-6, the following information is provided. For your consideration:

1. LOCATION: 2173' FNL & 1787' FWL, Sec. 19, T18S, R33E, Lea Co. NM.
2. ELEVATION ABOVE SEA LEVEL: 3812'.
3. GEOLOGIC NAME OF SURFACE FORMATION: Kermit soils-Dune Land
- 4.. DRILLING TOOLS AND ASSOCIATED EQUIPMENT: Conventional rotary drilling rig using mud for the circulation medium.
5. PROPOSED DRILLING DEPTH: 11,350'.
6. ESTIMATED GEOLOGICAL MARKER TOPS:

Anhydrite	1252'	Delaware	5360'
Yates	2855'	Bone Springs	8652'
Seven Rivers	3340'	Wolfcamp	10,340'
Queen	3790'	T.D.	11,350'
San Andres	4860'		

7. POSSIBLE MINERAL BEARING FORMATION:

Yates	Oil
Bone Spring	Oil

8. CASING PROGRAM:

Hole Size	Interval	OD Csg	Weight	Thread	Collar	Grade	Cond.
17 1/2"	0-450'	13 3/8"	48#	8-R	ST&C	H-40	New
11"	0-2850'	8 5/8"	32#	8-R	ST&C	J-55	New
7 7/8"	0-8900'	5 1/2"	17#	8-R	LT&C	N-80	New

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL # 4
APPLICATION FOR PERMIT TO DRILL

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9. CASING CEMENTING & SETTING DEPTH:

13 3/8"	Surface	Set 450' of 13 3/8" 48# WC-40 ST&C casing. Cement with 350 sacks Class "C" cement + additives. Circulate cement to surface.
8 5/8"	Intermediate	Set 2,850' of 8 5/8" 32# J-55 ST&C casing. Cement with 475 sx Lite + 200 sx "C" Circulate cement to surface.
5 1/2"	Production	Set 11350' of 5 1/2" 17.0, N-80 casing. Cement with 400 sx Class "H". Estimated top of cement @ 7,000'.

10. PRESSURE CONTROL EQUIPMENT: Exhibit "E". A Blow-out Preventer (no less than 900 Series 3000 PSI working pressure) consisting of double ram type preventer with bag type preventer. Units will be hydraulically operated. Exhibit "E-1" Choke Manifold and Closing Unit. Blind rams on top, pipe rams on bottom to correspond with size of drill pipe in use. BOP will be nipped up on 13 3/8" casing and remain on well until casing is run and cemented. BOP will be tested as well as choke manifold. BOP will be worked at least once each day while drilling & blind ram will be worked on trips when no drill pipe is in hole. Full opening stabbing valve and upper kelley cock will be utilized. Anticipated BHP 2000 PSI and 135° BHT.

11. PROPOSED MUD CIRCULATING SYSTEM:

DEPTH	MUD. WT.	MUD VISC.	FLUID LOSS	TYPE MUD
0'-450'	8.3-8.9	28-50	NC	Fresh water spud mud, use paper for seepage control .
450'-2,850'	10	29	NC	Brine water, use paper for seepage control and lime for pH control.
2,850'-10,500'	8.8-9.3	29	NC	Cut brine, Lime for pH control
10,500'-11,350'	9.3-10	34-38	10cc or less	Cut brine use Drispac, starch, soda ash, and gel.

Sufficient mud materials to maintain mud properties, meet lost circulation and weight increase requirements will be kept at wellsite at all times. In order to run casing and log well viscosity may have to be raised and water loss may have to be lowered.

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL, WELL NO. 4
APPLICATION FOR PERMIT TO DRILL

PAGE 3

12. TESTING, LOGGING AND CORING PROGRAM:

- A. Gamma Ray - Surface casing to T.D. @ 11,350'.
- B. CNL-LDT,D11-MFL - Below 8 5/8" to T. D.
- C. Coring - None planned.

13. POTENTIAL HAZARDS:

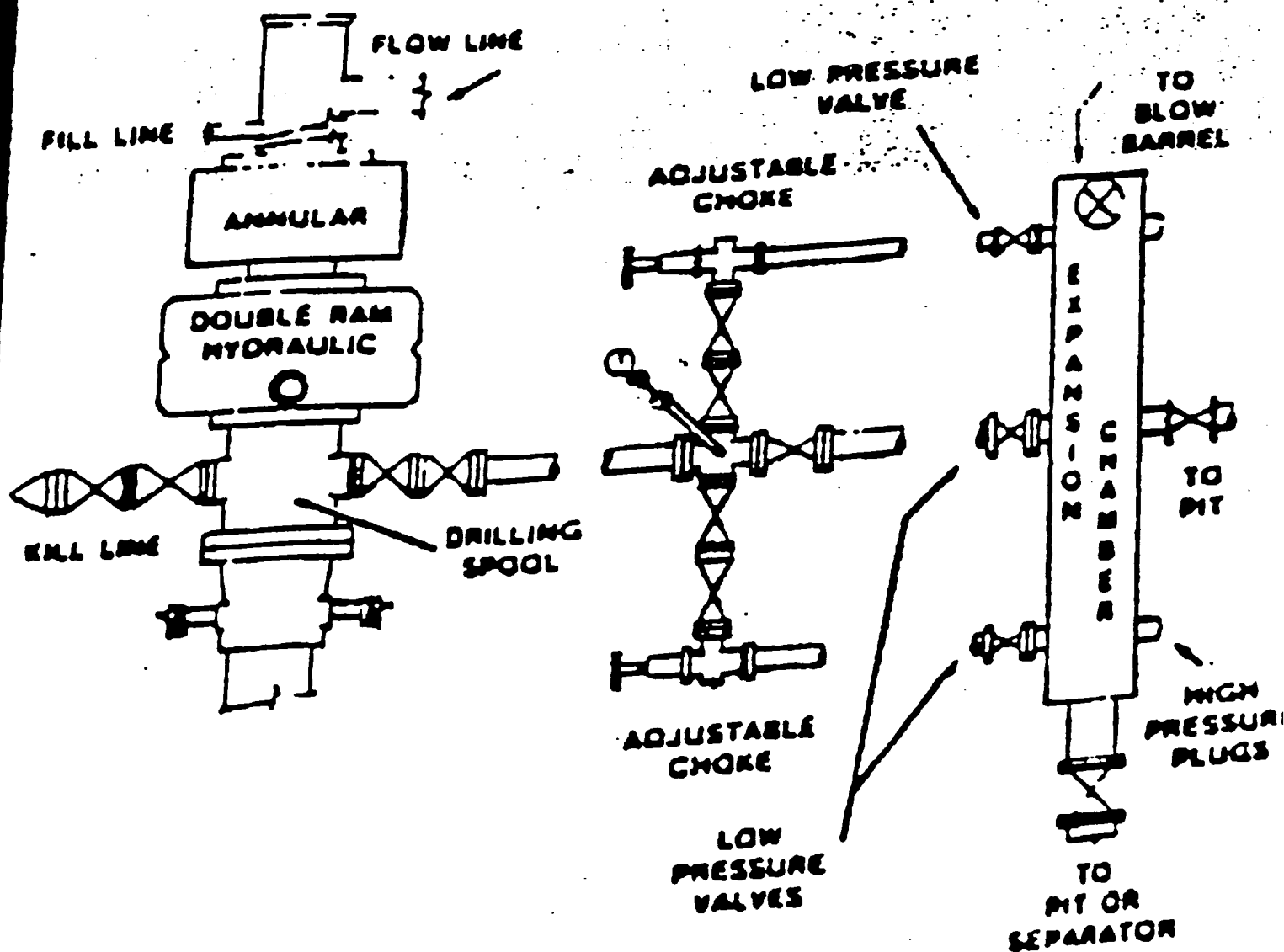
No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 2000 PSI, estimated BHT 135°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after BLM approval of APD. Anticipated spud date is June 20, 1996. Drilling is expected to take 18 - 24 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Bone Spring pay will be perforated and stimulated. The well will be swab tested and potentialized as an oil well.



Standard Blowout Preventer Stack