

RB

Form 3160-3  
(July 1992)

*Darryl* N. M. Oil Cons. Commission

811 S. 1ST ST.  
ARTESIA, NM 88210-2824  
SUBMIT IN TRIPLICATE\*  
(Other instructions on reverse side)

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

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. (BILL PIERCE) Ph. 915-683-2534

3. ADDRESS AND TELEPHONE NO.  
600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface 860' FSL & 860' FWL SEC. 25 T24S-R29E EDDY CO. NM  
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 9 miles Southeast of Malaga New Mexico

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 860

16. NO. OF ACRES IN LEASE 240

17. NO. OF ACRES ASSIGNED THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2110'

19. PROPOSED DEPTH 8500'

20. ROTARY OR CABLE TOOLS  
DRILLARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3084' GR.

22. APPROX. DATE WORK WILL START\*  
As soon as approved

5. LEASE DESIGNATION AND SERIAL NO.  
NM-59386

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
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7. UNIT AGREEMENT NAME  
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8. FARM OR LEASE NAME, WELL NO.  
SPUDS "25" FEDERAL # 3

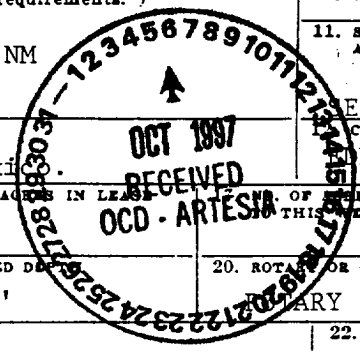
9. AM WELL NO.  
30-015-29882

10. FIELD AND POOL, OR WILDCAT BONE  
EAST PIERCE CROSSING BONE SPRING

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA 96473

12. COUNTY OR PARISH  
EDDY CO.

13. STATE  
NEW MEXICO



PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"	NA	40'	Cement to surface with Redi-mix.
17 1/2"	H-40 13 3/8"	48	350'	250 Sx. circulate to surface
11"	J-55 8 5/8"	32	3100'	500 Sx. circulate to surface
7 7/8"	N-80 J-55 5 1/2"	17	8500'	600 Sx. estimated top cement 5600

1. Drill 25" hole to 40'. Set 40' of 20" conductor cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 350'. Run and set 350' of 13 3/8" H-40 48# ST&C casing. Cement with 150 Sx. Class "C" + 1/4# flocele/Sx. + 5# Gilsonite/Sx. + 2% CaCl, tail in with 100 Sx. Class "C" + 3% CaCl, circulate cement to surface.
3. Drill 11" hole to 3100'. Run and set 3100' of 8 5/8" 32# J-55 ST&C casing. Cement with 300 Sx. Class "C" Halco Light + 1/3 flocele/Sx. + 5# gilsonite/Sx. + 8% salt, tail in with 200 Sx Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 8500'. Run and set 8500' of 5 1/2" N-80 & J-55 17# LT&C casing as follows, 2900' of N-80 17#, 4800' of J-55 17# , 800' of N-80 17#. Cement with 600 Sx. Class "H" + 8% salt + .6% Halad 322 + .6% Halad 344. Estimate top cement 5600'.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zones. 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 *Joel Janica* TITLE Agent DATE 9/24/97

(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 enable the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY (ORIG. SGD.) TONY L. FERGUSON TITLE ADM, MINERALS DATE 10/3/97

\*See Instructions On Reverse Side

RECEIVED  
BUREAU OF LAND MGMT.  
OSWELL OFFICE  
997 JUN 25 A 940  
10-17-97  
RPT & LOG  
Post FD-1

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

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

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

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

OIL CONSERVATION DIVISION

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-29882</b>	Pool Code <b>96473</b>	Pool Name <b>EAST PIERCE CROSSING BONE SPRING</b>
Property Code	Property Name <b>SPUDS "25" FEDERAL</b>	Well Number <b>3</b>
OGRID No. <b>147380</b>	Operator Name <b>PENWELL ENERGY INC.</b>	Elevation <b>3084'</b>

Surface Location

UL or lot No. <b>M</b>	Section <b>25</b>	Township <b>24 S</b>	Range <b>29 E</b>	Lot Idn	Feet from the <b>860</b>	North/South line <b>SOUTH</b>	Feet from the <b>860</b>	East/West line <b>WEST</b>	County <b>EDDY</b>
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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.						

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

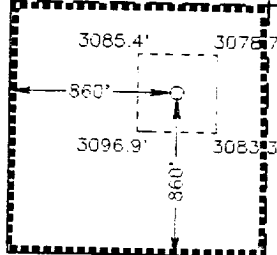
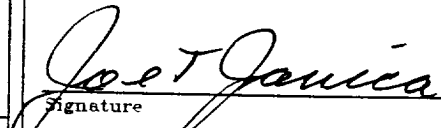
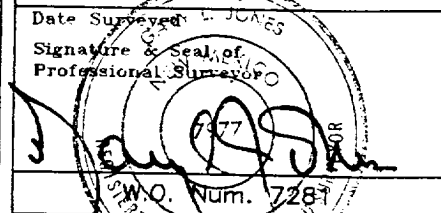
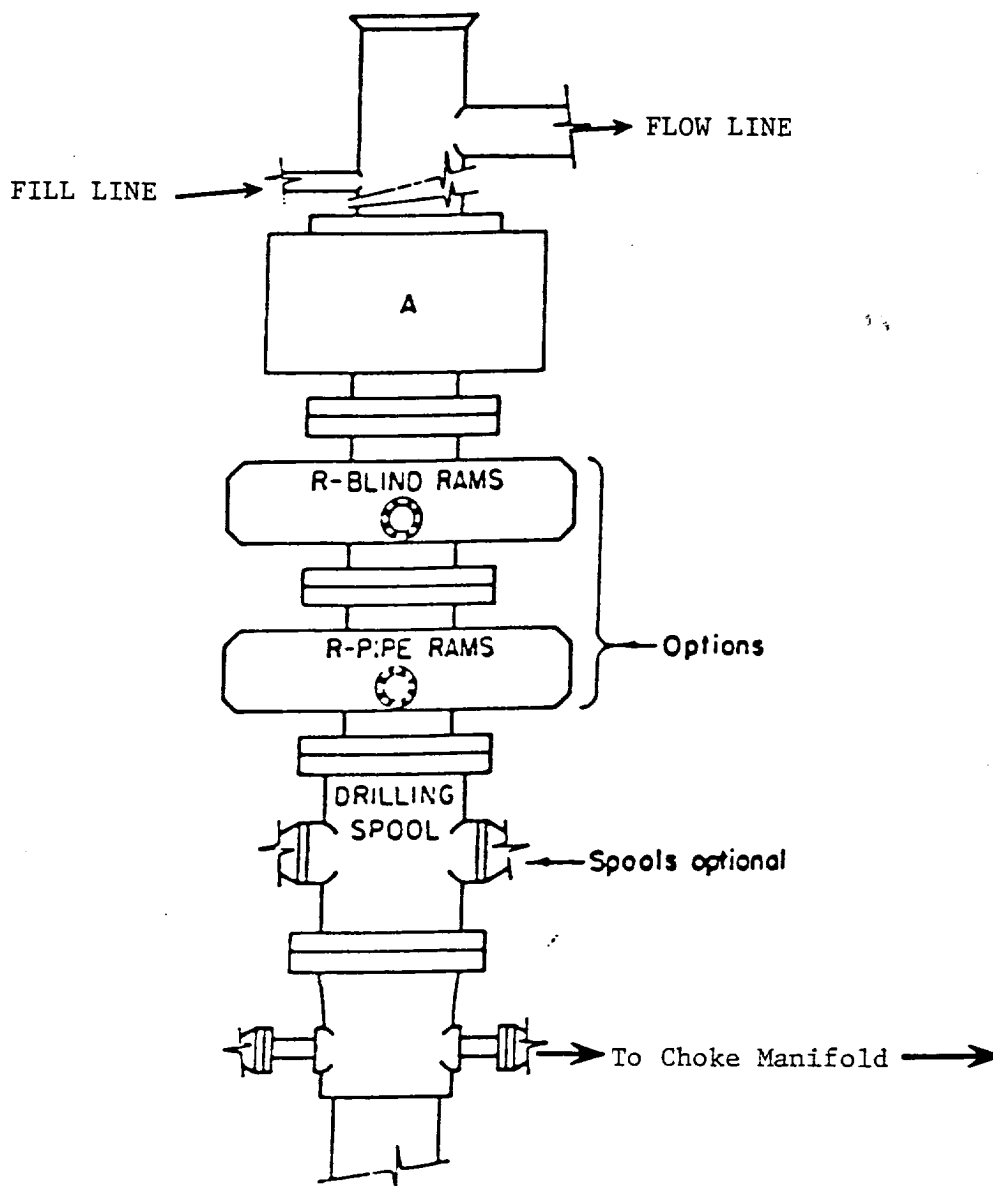
				<b>OPERATOR CERTIFICATION</b>	
				I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.	
				 Signature	
				Joe T. Janica Printed Name Agent Title 06/24/97 Date	
			<b>SURVEYOR CERTIFICATION</b>		
			I hereby certify that the well location 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.		
			June 06, 1997 Date Surveyed		
			Signature & Seal of Professional Surveyor 		
			Certificate Number GARNETT JONES, 1997		

EXHIBIT "A"



### ARRANGEMENT SRRA

900 Series  
3000 PSI WP

EXHIBIT "E"  
B.O.P. SKETCH TO BE USED ON

PENWELL ENERGY, INC.  
SPUDS "25" FEDERAL #3  
UNIT "M" SECTION 25  
T24S-R29E EDDY CO. NM

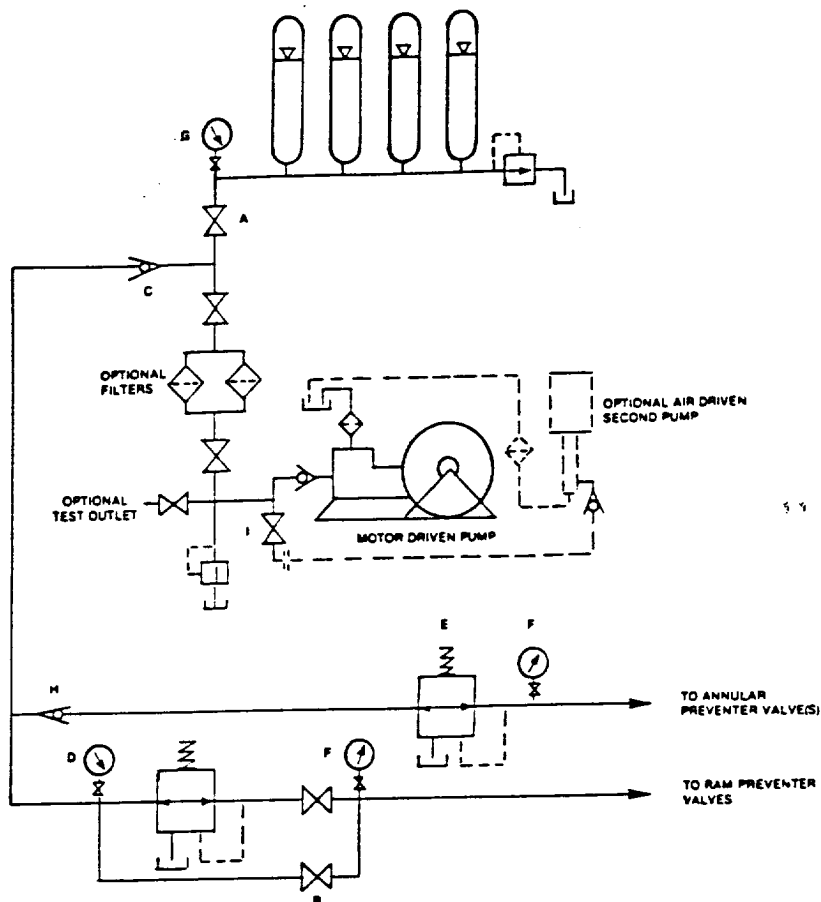


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

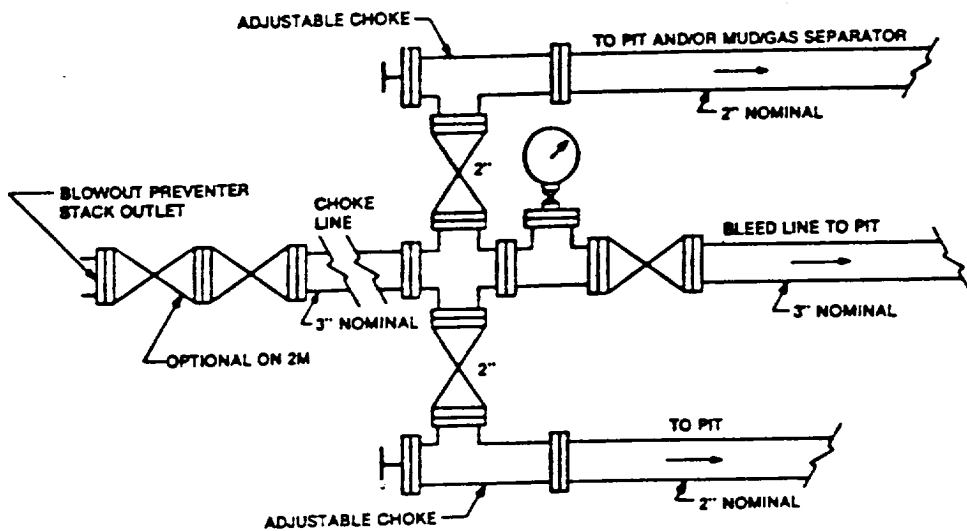


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

EXHIBIT "1-E"  
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.  
SPUDS "25" FEDERAL #3  
UNIT "M" SECTION 25  
T24S-R29E EDDY CO. NM