

Form 3160-3
(July 1992)SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK: DRILL ☒ DEEPEN ☐ 30 11/17/97

b. TYPE OF WELL: OIL WELL ☒ GAS WELL ☐ OTHER ☐ SINGLE ZONE ☒ MULTIPLE ZONE ☐

2. NAME OF OPERATOR: 147380
PENWELL ENERGY, INC. (BILL PIERCE) 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: 2080' FNL & 1650' FEL SEC. 29 T22S-R26E EDDY CO. NM
At proposed prod. zone: W.G.

5. LEASE DESIGNATION AND SERIAL NO.: NM-97118 97863

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT AGREEMENT NAME: 20473

8. FARM OR LEASE NAME WELL NO.: #4

9. API WELL NO.: 30-015-29991

10. FIELD AND POOL, OR WILDCAT: HAPPY VALLEY DELAWARE

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SEC. 29 T22S-R26E

12. COUNTY OR PARISH: EDDY CO. 13. STATE: NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: Approximately 3.5 miles Northwest of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 1650'

16. NO. OF ACRES IN LEASE: 120

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.: 1320'

19. PROPOSED DEPTH: 5000'

20. ROTARY OR CABLE TOOLS: ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 3443' GR.

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

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'	400 Sx. circulate cement to surface
11"	J-55 8 5/8"	24	1650'	625 Sx. " " " "
7 7/8"	J-55 5 1/2"	17	5000'	650 Sx. Estimate top of cement 1200'

CARLSBAD CEMENT WATER BASIN

1. Drill 25" hole to 40'. Set 40' of 20" conductor and 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 400 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface-
3. Drill 11" hole to 1650'. Run and set 1650' of 8 5/8" J-55 24# ST&C casing. Cement with 425 Sx. of Halco Light Class "C" + additives, tail in with 200 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 5000'. Run and set 5000' of 5 1/2" J-55 17# ST&C casing. Cement with 400 Sx. of Class "C" Halco Light + additives, tail in with 250 Sx. of Class "C" + 2% CaCl, estimate top of cement 1200'.

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: Joe J. Jarama TITLE: APPROVAL SUBJECT TO GENERAL REQUIREMENTS AND SPECIAL STIPULATIONS ATTACHED DATE: 11-7-97

(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 entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY: 166 6/97 TITLE: ADM. MINERALS DATE: 12/30/97

*See Instructions On Reverse Side

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