

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires November 30, 2000

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Penwell Energy, Inc.

3a. Address C/O Delta P Services

P. O. Box 2079, Midland, TX 79702

3b. Phone No. (include area code)

975 570-6009

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

1,413' FNL & 483' FEL

Section 23-T20N-R4W

Unit Letter "H"

5. Lease Serial No.

NM-100800

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.

Penistaja Federal 23 #1

9. API Well No.

30-043-20947

10. Field and Pool, or Exploratory Area (O)

Wildcat 20N4W23H; Entrada

11. County or Parish, State

Sandoval; New Mexico

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

TYPE OF SUBMISSION

TYPE OF ACTION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

☐ Acidize

☐ Alter Casing

☐ Casing Repair

☐ Change Plans

☐ Convert to Injection

☐ Deepen

☐ Fracture Treat

☐ New Construction

☒ Plug and Abandon

☐ Plug Back

☐ Production (Start/Resume)

☐ Reclamation

☐ Recomplete

☐ Temporarily Abandon

☐ Water Disposal

☐ Water Shut-Off

☐ Well Integrity

☐ Other

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

SEE ATTACHED PLUGGING REPORT

Final surface restoration and reseeding operations will be initiated after April 15, 2003.

12/4

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Bill Pierce

Title Consulting Engineer

Signature

Bill Pierce

Date January 24, 2003

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

/s/ Brian W. Davis

Division of Multi-Resources

Date APR 16 2003

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Penwell Energy, Inc.
Penistaja Federal "23" #1 (NM-100800)
Plug and Abandonment Report
1,413' FNL & 483' FEL
Section 23 – T20N – R4W
Sandoval County, New Mexico

Plugging Summary:

On November 26, 2002; A-Plus Well Service, Inc. of Farmington, New Mexico notified the Cuba, New Mexico BLM office that plugging operations would commence the next day.

11/27/02

MIRU plugging unit. Fence and line temporary plugging pit. SICP 0#. Dug out cellar and laid relief line to plugging pit. ND wellhead and NU BOP. Conduct ram operations check O.K. RU electric line truck and RIH w/gauge ring to 5,925' K.B. Set 5 ½" PlugWell cement retainer @ 5,900' K.B. SWI and SDF Thanksgiving holidays. Al Yepa w/Cuba, New Mexico BLM office was on location.

12/02/02

RIH w/2 7/8" tubing to 5,898' K. B. Circulate hole clean w/60 bbls. of fresh water. Close pipe rams and pressure up on casing to 500#, held O.K. Spot cement plug #1 (17 sacks) inside 5 ½" casing on top of cement retainer @ 5,900' K. B. from 5,900' up to 5,729' K.B. POOH laying down 2 7/8" tubing and pull to 4,069' K. B. Set cement plug #2 (19 sacks) inside the 5 ½" casing from 4,069' up to 3,898' K.B. to cover the Dakota formation top. Continue POOH laying down 2 7/8" tubing, pull to 2,064' K.B. Set cement plug #3 (19 sacks) inside the 5 ½" casing from 2,064' up to 1,893' K. B. to cover the Menefee formation top. Continue POOH laying down 2 7/8" tubing, pull to 1,415' K.B. Set cement plug #4 (19 sacks) inside the 5 ½" casing from 1,415' up to 1,244' K. B. to cover the Cliffhouse formation top. Continue POOH laying down 2 7/8" tubing, pull to 684' K.B.

Set cement plug #5 (52 sacks) inside the 5 1/2" casing from 684' up to 214' K.B. to cover the Pictured Cliffs formation top and 8 5/8" surface casing shoe. TOOH and LD tubing. RU electric line truck, RIH w/perforating gun and perforate the 5 1/2" production casing w/3 squeeze holes @ 50' K.B. Pumped cement plug #6 (26 sacks) down the inside of the 5 1/2" casing from 30' K.B./ back to the surface, cement circulated out the bradenhead valve. ND BOP, cut-off wellhead and found cement in the 5 1/2" X 8 5/8" annulus at the surface. RD plugging unit and mix 10 sacks of cement for surface plug from 30' back to surface, install P & A marker. SWI and SDFN. Al Yepa w/Cuba, New Mexico BLM office was on location.

12/03/02

Shut down due to snow, unable to move out plugging rig.

12/04/02

Cleaned location and moved out all plugging equipment, wellhead and tubing. FINAL REPORT.

Cement Plug Summary:

Plug #1: 5,729' – 5,900'; 19 sacks of cement inside 5 1/2" casing w/cement retainer @ 5,900'.

Plug #2: 3,898' – 4,069'; 19 sacks of cement inside 5 1/2" casing.

Plug #3: 1,893' – 2,064'; 19 sacks of cement inside 5 1/2" casing.

Plug #4: 1,244' – 1,415'; 19 sacks of cement inside 5 1/2" casing.

Plug #5: 214' – 684'; 52 sacks of cement inside 5 1/2" casing.

Plug #6: 0' – 50'; 23 sacks of cement in the 5 1/2" X 7 7/8" annulus.
30' – 50'; 3 sacks of cement inside the 5 1/2" casing.

Surface Plug: 0' – 30'; 10 sacks of cement inside the 5 1/2" casing.