Form 3160-3
(July 1992)

N. M. Oil Cons. Division
811 S. 1st St.
ARTESIA, NM 88210-2834

SUBMIT IN TRIPLICATE*
(Other instructions on

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

DEC 1997 RECEIVED OCD ARTESIA

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
DRILL [X] DEEPEN [ ]

b. TYPE OF WELL
OIL WELL [ ] GAS WELL [X] OTHER SINGLE ZONE [X] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR
PENWELL ENERGY, INC. (BILL PIERCE) 915-683-2534 147380

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
1650' FSL & 1650' FWL SEC. 29 T18S-R31E EDDY CO. NM
At proposed prod. zone SAME

5. LEASE DESIGNATION AND SERIAL NO.
Lc-029387-A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
22172

8. FARM OR LEASE NAME, WELL NO.
West Shugart "29" Fed. # 1

9. API WELL NO.
30-015-29948

10. FIELD AND POOL, OR WILDCAT
North Shugart Morrow

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 29 T18S-R31E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 8 miles Southeast of Loco Hills New Mexico

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

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
1650'	320	320
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
660'	12,500'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3591' GR.

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

23. PROPOSED CASING AND CEMENTING PROGRAM

CAPITAN CONTROLLED WATER BASIN

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
17½"	H-40 13 3/8"	48	500'	550 Sx. ci[WITNESS]ement to surfa
12¼"	J-55 9 5/8"	36	2600'	1600 Sx. " " " "
8 3/4"	S-95,N-80 5½"	17	12500'	2400 Sx 2 stages Top cement 2300'

1. Drill 25" hole to 40'. Set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 500'. Run and set 500' of 13 3/8" 48# H-40 ST&C casing. Cement with 550 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12¼" hole to 2600'. Run and set 2600' of 9 5/8" 36# J-55 ST&C casing. Cement with 200 Sx. of Thixotropic Class "C" cement + 10% Cal-Seal + 2% CaCl, follow with 1200 Sx. of Class "C" Halco Light + ¼# Flocele + 1# Gilsonite + 6% Gel + 12% salt, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 8 3/4" hole to 12,500'. Run and set 5½" casing as follows: 2400' of 17# S-95 LT&C, 9000' of 17# N-80 LT&C, and 1100' of 17# N-80 Buttress thread. Cement in 2 stages. First stage, 1100 Sx. of Modified Super Class "H" + .4% CFR-3, + 5# Gilsonite/Sx. + .5% Halad 344 + 3# salt/ Sx. Second stage, 1100 Sx. of Class "C" Halco Light + ¼# Flocele/Sx. + 1# Gilsonite/Sx/ + 6% Gel, tail in with 200 Sx. of Class "C" with 2% CaCl, estimate top of cement 2300'.

APPROVAL 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.

24.
SIGNED Joel T Jaramillo TITLE Agent DATE 10/24/97

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE Post 70-1 12-12-97

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 (ORIG. SGD.) TONY L. FERGUSON TITLE ADM. MINERALS DATE 12-3-97

*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

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	Pool Code	Pool Name
30-015-29948	85305	NORTH SHUGART MORROW

Property Code	Property Name	Well Number
	WEST SHUGART "29" FEDERAL	1

OGRID No.	Operator Name	Elevation
147380	PENWELL ENERGY CORPORATION	3591'

Surface Location

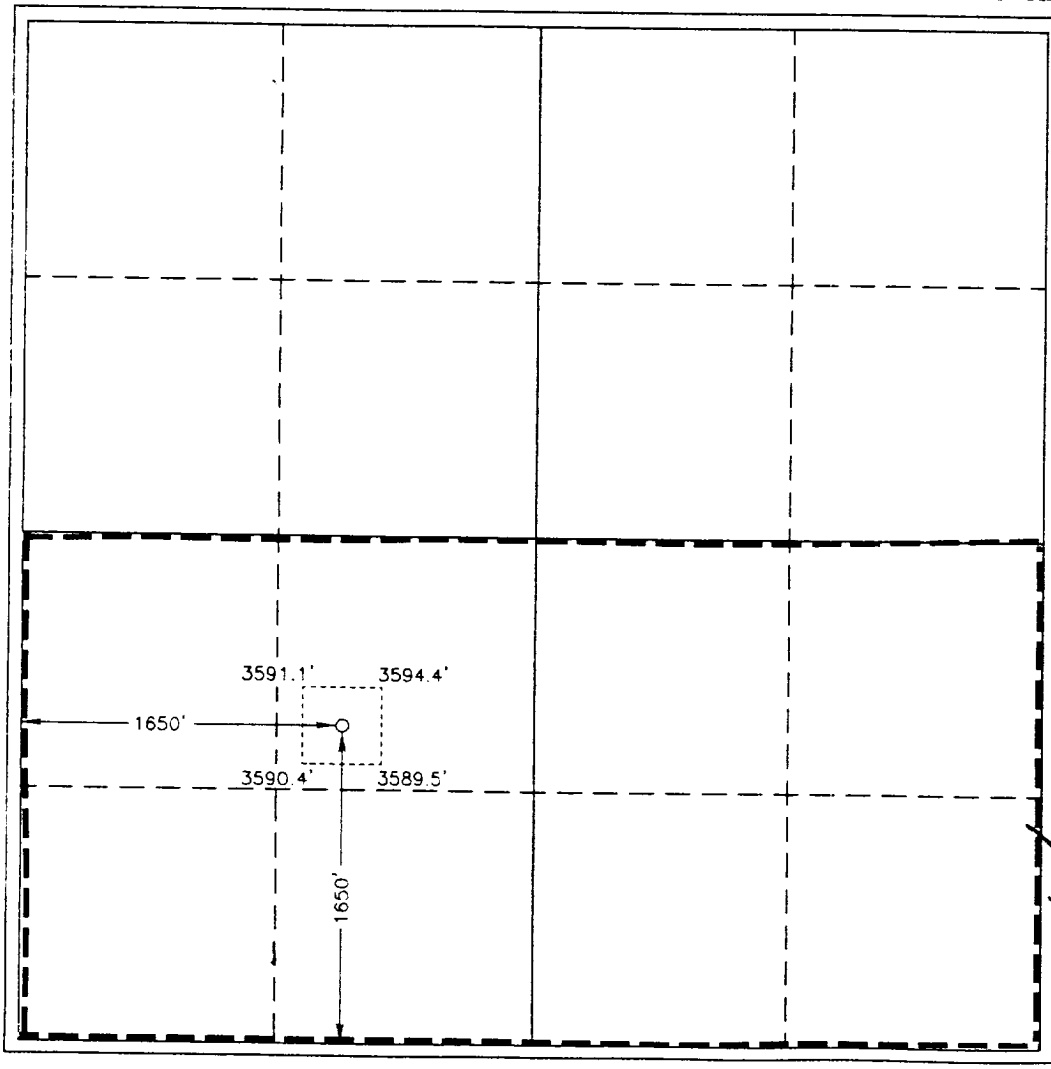
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	29	18 S	31 E		1650	SOUTH	1650	WEST	EDDY

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	Joint or Infill	Consolidation Code	Order No.
320			

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.

Joe T Janica
Signature

Joe T. Janica
Printed Name

Agent
Title

10/24/97
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 supervison, and that the same is true and correct to the best of my belief.

October 15, 1997
Date Surveyed

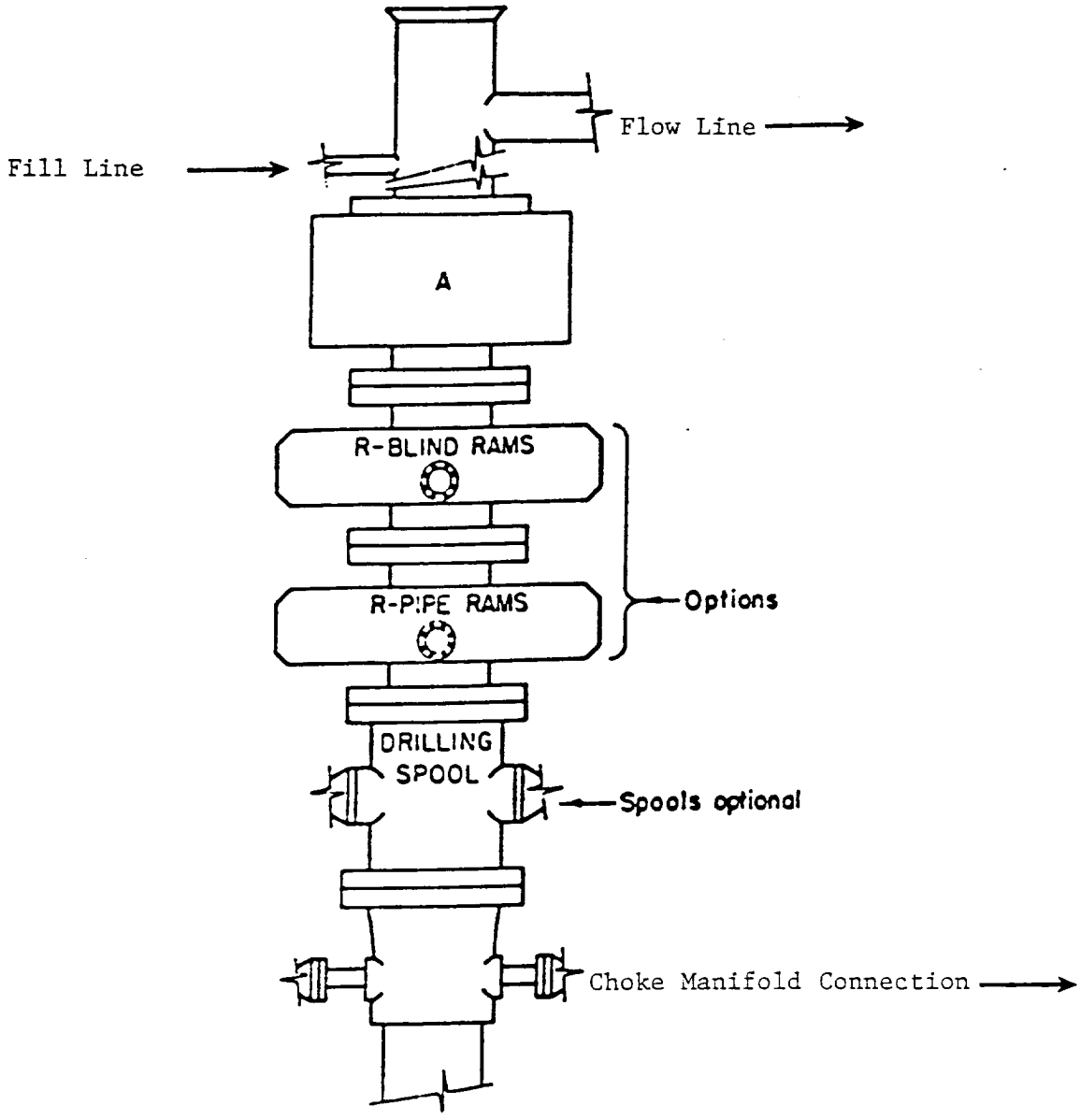
Signature & Seal of Professional Surveyor

W.O. No. 7622

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT "A"



ARRANGEMENT SRRA

1500 Series
5000 PSI WP

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

PENWELL ENERGY, INC.
WEST SHUGART "29" FEDERAL # 1
UNIT "K" SECTION 29
T18S-R31E EDDY CO. NM

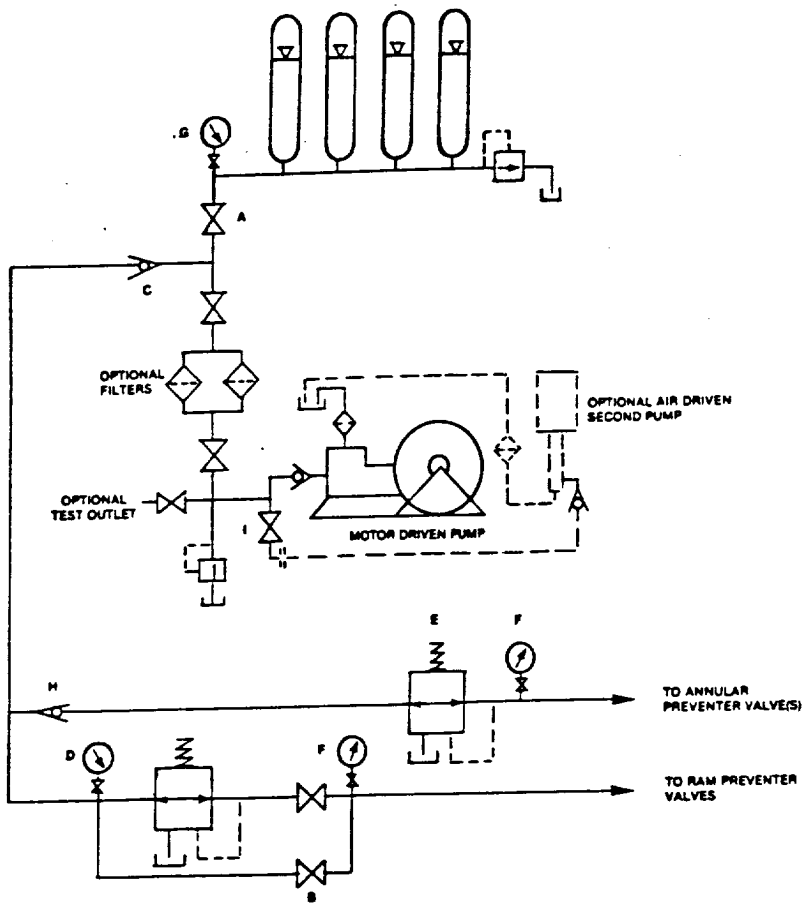


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

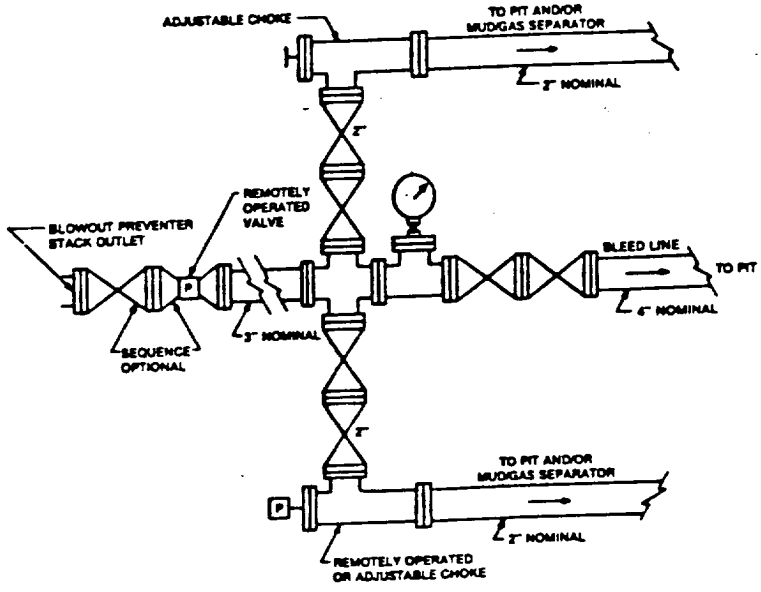


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
WEST SHUGART "29" FEDERAL # 1
UNIT "K" SECTION 29
T18S-R31E EDDY CO. NM