

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 PIERCS) 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.)

2310' FNL & 660' FWL SEC. 33 T19S-R29E EDDY CO. NM

At surface
At proposed prod. zone SAME

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

Approximately 30 miles Northeast of Carlsbad, New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

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

NA

19. PROPOSED DEPTH

12,000'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3313' GR.

22. APPROX. DATE WORK WILL START*

WHEN APPROVED

23. 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	400'	450 Sx. circulate cement to surface
12 1/2"	J-55 8 5/8"	32	3200'	1650 Sx. " " " "
7 7/8"	P-110, N-80 5 1/2"	17	12,000'	2400 Sx. estimate top cement 2800'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 400'. Run and set 400' of 13 3/8" H-40 48# ST&C casing. Cement with 300Sx. of Class "C" Halco Light + additives, tail in with 150 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
3. Drill 12 1/2" hole to 3200'. Run and set 3200' of 8 5/8" J-55 32# ST&C casing. Cement with 1400 Sx. of Halco Light + 10# Gilsonite/Sx. + 1/2# Flocele/Sx., tail in with 250 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 12,000'. Run and set 12,000' of 5 1/2" casing as follows: 2800' of P-110 17# LT&C, 7000' of N-80 17# LT&C, 2200' of N-80 17# Buttress LT&C. Cement in 2 Stages, DV tool at 8000'±. Cement 1st stage with 500 Sx. of Class "H" Halco Light, + additives, tail in with 450 Sx. of 50/50 POZ. 2nd stage cement with 1000 Sx. of Halco Light + additives, tail in with 450 Sx. of Class "H" + additives, estimate top of cement 2800'.

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

Agent

DATE 04/29/98

(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:

Acting

Assistant Field Office Manager,
Lands and Minerals

(ORIG. SGD.) ARMANDO A. LOPEZ

APPROVED BY

TITLE

DATE

AUG 19 1998

*See Instructions On Reverse Side

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

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 82600	Pool Name PARKWAY MORROW WEST
Property Code	Property Name MILLMAN S.E. "33" FEDERAL	Well Number 1
OGRID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3313'

Surface Location

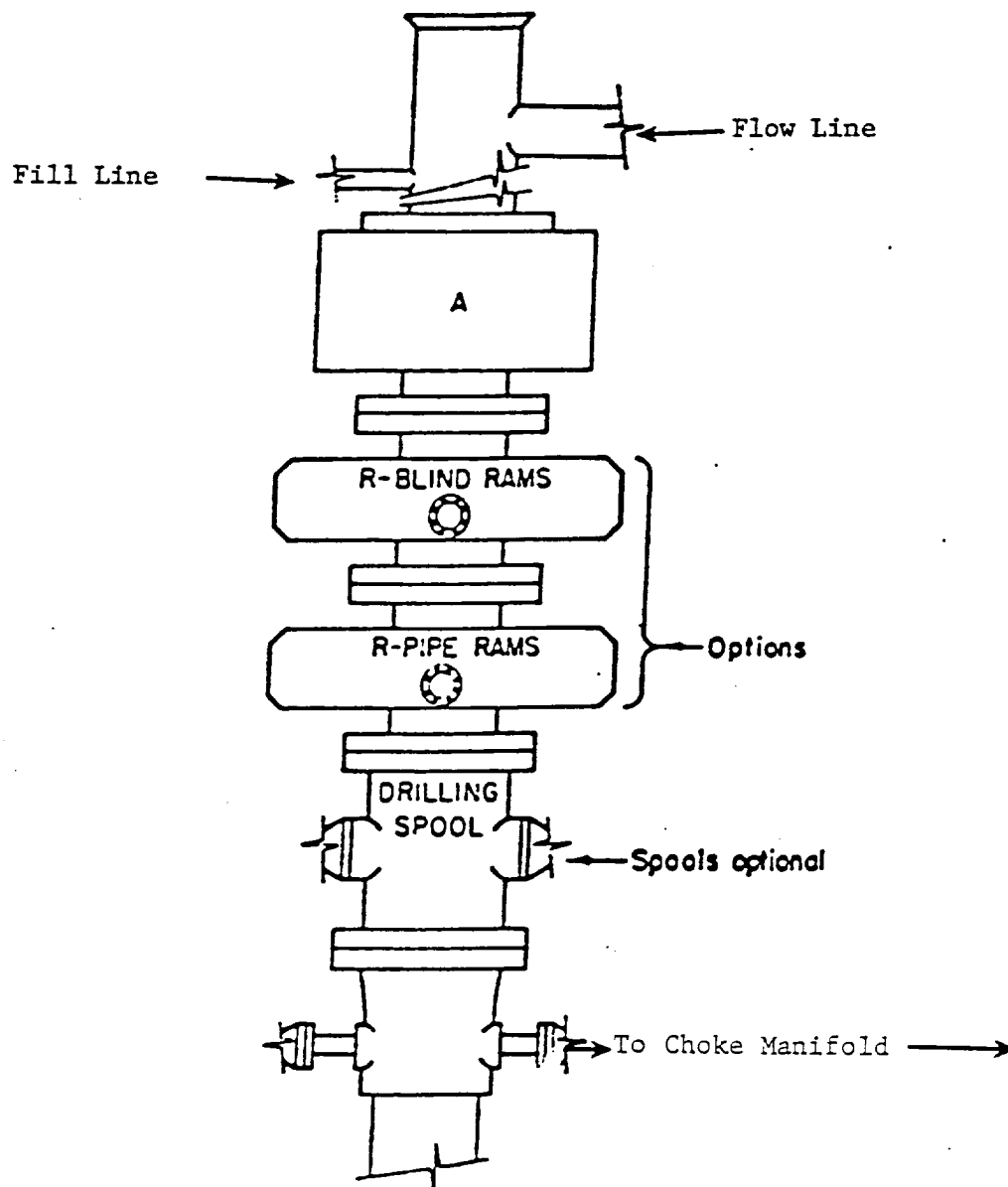
UL or lot No. E	Section 33	Township 19 S	Range 29 E	Lot Idn	Feet from the 2310	North/South line NORTH	Feet from the 660	East/West line WEST	County EDDY
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Bottom Hole Location If Different From Surface

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Dedicated Acres 320	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>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Joe T. Janica Printed Name Agent Title 04/29/98 Date
	SURVEYOR CERTIFICATION <i>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.</i> April 14, 1998 Date Surveyed Signature & Seal of Professional Surveyor
	Certificate No. 8798 Professional Surveyor Gary L. Jones 7977
	BASIN SURVEYS



ARRANGEMENT SRRA

1500 Series
5000# Working Pressure

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
MILLMAN S.E. "33" FEDERAL # 1
UNIT "E" SECTION 33
T19S-R29E EDDY CO. NM

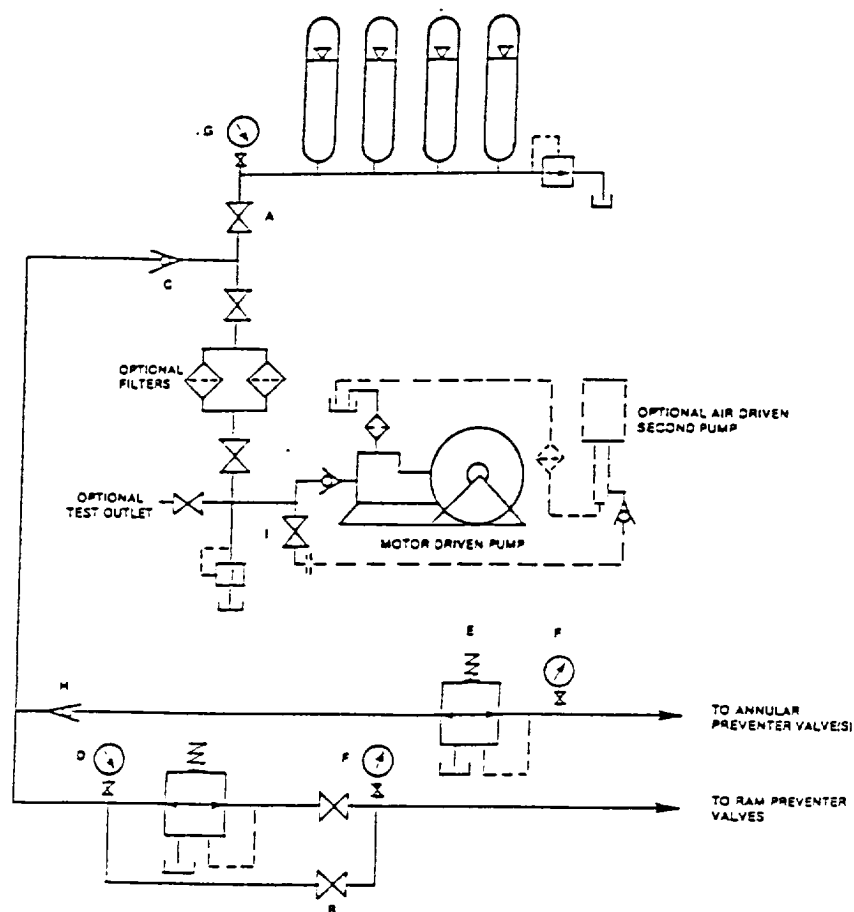


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

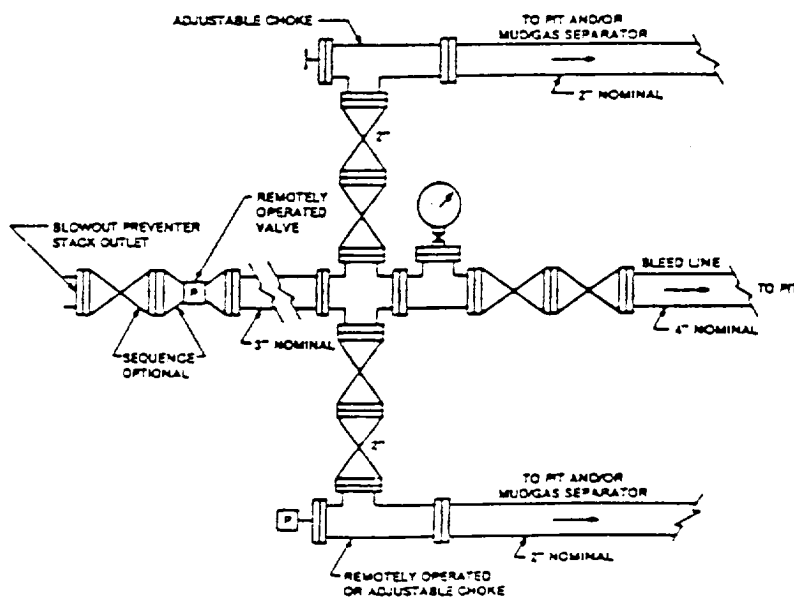


FIGURE K4-2. Typical choke manifold assembly for SM rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFLOD & CLOSING UNIT

PENWELL ENERGY, INC.
MILLMAN S.E. "33" FEDERAL # 1
UNIT "E" SECTION 33
T19S-R29E EDDY CO. NM