Form 3, 60-3 (july 1992)

OIL CONSERVATION DIV 811 S. 1st ST. SUBMIT

SUBMIT IN TR

CATE*

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

UnitED SARTESIA, NM 88210-2837 Instruction

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND BERIAL NO.

| BUREAU OF L | AND MANAGEMENT | N/19x120 |
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| APPLICATION FOR PE | RMIT TO DRILL OR DEEPEN | 6 IF INDIAN, ALLOTTER OR TRIBE NAME |
| DRILL K | DEEPEN | Wagon Wheel 22 Federal |
| D TYPE OF WELL OIL GAS WELL OTHER | SINGLE X MILITIPLE ZONE | 8 FARM OR LEASE NAME, WELL NO Unit #1 |
| Penwell Energy, Inc. | 780 (915) 683-2534 | 9. API WELL NO |
| 600 N. Marienfeld, Suite Location of Well (Report location clearly and i | 1100, Midland, Tx. 79701 | 30-015-29101 10 FIELD AND POOL, OR WILDCAT 96595 Rocky are yo; Wildcat (Morrow) |
| At surface 2080' FNL & 1980' | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA |
| At proposed prod. zone 2080 FNL 8 | 1980' FEL | Sec. 22, T22S, R22E |
| 4 DISTANCE IN MILES AND DIRECTION FROM NEARING 28 miles West of Carlsbac | New Mexico | Eddy N.M. |
| 15. DISTANCE FROM PROPOSED* | TC | OF ACRES ASSIGNED THIS WELL. 320 |
| PROPERTY OR LEASE LINE, FT. (Also to mearest drig, unit line, if any.) 198(18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED. | | OTARY OR CABLE TOOLS |
| OR APPLIED FOR, ON THIS LEASE, FT. 21. ELEVATIONS (Show whether DF, RT, GR, etc.) | Hone 1 | 22. APPROX. DATE WORK WILL START* August 15, 1996 |
| 4426 GR | PROPOSED CASING AND CEMENTING PROGRAM | |
| SIZE OF HOLE GRADE SIZEOF CASING 17 1/2" 13 3/8 h-40 12 1/4" 9 5/8 J-55 8 3/4" 7" J-55 | WEIGHT PER FOOT SETTING DEPT | H Est. TOC 5,000' |
| (This space for Federal or State office use) | APPROVAL DATE | st DATE July 16, 1996 |
| Application approval does not warrant or certify that the a | pplicant holds legal or equitable title to those rights in the subject lease w | hich would entitle the applicant to conduct operations thereon. |
| CONDITIONS OF APPROVAL, IP ANY: | | AUG 1 2 1996 |