District I PO Box 1980, Hobbs, NM 88241-1980

State of New Mexico Energy, Minerals & Natural Resources Department

Form C Revised October 18, 1994

Instructions on back

Submit to Appropriate District Office

State Lease - 6 Copies Fee Lease - 5 Copies

811 South First, Artesia, NM 88210

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

District IV 2040 South Pacheco, Santa Fe, NM 87505

OIL CONSERVATION DIVISION 2040 South Pacheco 2040 South Pacheco Santa Fe, NM 87505

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEND GBAON, OR ADD A ZONE RECEIVED 2OGRID Number Operator Name and Address OCD - ARTESIA 147380 Penwell Energy, Inc. 600 N. Marienfeld, Suite 1100 3API Number Midland, TX 79701 30 - 015-22928 «Well No. sProperty Name ₄Property Code **1 SWD** Oscar State

Surface Location

UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West Line	County
CL OF IOC 110.	360000	1 Ownship	11.290				4000	East	Eddy
l G	36	248	29E		1980	North	1980	⊏a5t	Eddy
1 9	"								

Proposed Bottom Hole Location If Different From Surface

		11 10p					Feet from the	East/West Line	County
UL or lot no.	Section	Township	Range	Lot Idn	Feet from the	North/South line	reet from the	Lasuvest Line	County
					1	10Pmpos	ed Pool 2		
₀Proposed Pool 1							101 10400		
SUN 1 - 200 96100									
SWD: Delaware 701001									

₁⋅Work Type Code	₁₂Well Type Code	₃Cable/Rotary	₁₄Lease Type Code	3102 GR	
E	S	R.	S		
₁₅Multiple	17Proposed Depth	₁₅Formation	₁₃Contractor	20Spud Date	
No	4760 PBTD	Delaware	Unknown	02-01-99	

"Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/24	13 3/8"	48 #	518	530	Surface
12 1/4"	10 3/4"	51 #	3292 '	1035	Surface
9 1/2"	7 5/8"	33.7, 26.4, 29.7 #	11,140*	665	Cut @ 4814'
6 1/2"	5"	18 #		455	10,823

²²Describe the proposed program. If this application is to DEEPEN or PLUG BACK give the data on the present productive zone and proposed new productive zone. Describe the blowout prevention program, if any. Use additional sheets if necessary. Post ID-1 1-22-99 Ra-entry

IT IS PROPOSED TO RE-ENTER THE OSCAR STATE #1 AS PER THE FOLLOWING:

1. DRILL OUT CEMENT PLUGS @ SURFACE, 448'-572', AND 3242'-3370'.

2. CLEAN OUT OPEN HOLE TO TOP OF NEXT CEMENT PLUG @ 4760'.

3. RUN COMPLETION ASSEMBLY OF 2 3/8" COATED TUBING ON PACKER SET @ 3250'.

4. ACID SHMULATE AS NEEDED AND PLACE SWD WELL INTO OPERATION, DISPOSING IN DELWARE OPEN HOLE 3292' -4760'. INTERVAL

²³ I hereby certify that the information given above is true and complete to the best of my knowledge and belief.	OIL CONSERVATION DIVISION			
Signature: Charles W. Long	Approved By: ORIGINAL SIGNED BY TIM W. GUM BOOK DISTRICT II SUPERVISOR			
Printed name: Charles W. Knight, Jr.	Title:			
Title: Engineer	Approval Date: 12-24-98 Expiration Date: 12: 24-99			