

District I
 PO Box 1980, Hobbs, NM 88241-1980
 District II
 811 South First, Artesia, NM 88210
 District III
 1000 Rio Brazos Rd., Aztec, NM 87410
 District IV
 2040 South Pacheco, Santa Fe, NM 87505

State of New Mexico
 Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIVISION
 2040 South Pacheco
 Santa Fe, NM 87505

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NOV 13 1996

Form C-101
 Revised October 18, 1994
 Instructions on back
 Submit to Appropriate District Office
 State Lease - 6 Copies
 Fee Lease - 5 Copies

OIL CON. DIV.

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL, RE-ENTER, DEEPEN, PLUGBACK, OR ADD A ZONE

Operator Name and Address. Penwell Energy, Inc. 600 N. Marienfeld, Ste. 1100 Midland, Texas 79701		' OGRID Number 147380
		' API Number 30-015-29270
' Property Code 18743-19985	' Property Name FH "28" State Com.	' Well No. 2

7 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	28	23S	26E		1980'	South	1980'	West	Eddy

8 Proposed 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
' Proposed Pool 1 Carlsbad South - Morrow 73960					' Proposed Pool 2				

' Work Type Code N	' Well Type Code G	' Cable/Rotary R	' Lease Type Code S	' Ground Level Elevation 3344
' Multiple	' Proposed Depth 12,000'	' Formation Morrow	' Contractor Unown	' Spud Date ASA approved

21 Proposed Casing and Cement Program

Hole Size	Casing Size	Casing weight/foot	Setting Depth	Sacks of Cement	Estimated TOC
17 1/2"	13 3/8"	48#	600	650	Surface
12 1/4"	9 5/8"	24 & 32#	1775'	750	Surface
8 3/4"	7"	23#	10700'	330 + 300	TOC Apprx. 3000'
6 1/8"	4 1/2 liner	13.50#	12000'	100	Circulated

Describe 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.

- Drill 17 1/2" hole to 600'. Run & set 600' of 13 3/8" 54.5#, J-55 ST&C csg. Cmt. w/650 sx. Cl. "C" + 2% CaCl + 1/4# flocele/sx. Circ. to sur
- Drill 12 1/4" hole to 1775'. Run & set 1775' of 9 5/8", 36#, J55, ST&C csg. Cmt. w/625 sx. Halco light + 2% CaCl + 1/4# flocele/sx. tail in with 300 sx. Cl. C + 1% CaCl + 5% salt. Circ. to surf.
- Drill 8 3/4" hole to 12000'. Run and set 10700' of 7" N-80, 23# csg.
(Continued on page 2)

Posted ID-1
 NLO API - 11-22-96

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.
 Signature: *Brenda Coffman*
 Printed name: Brenda Coffman
 Title: Production Analyst

OIL CONSERVATION DIVISION	
Approved by: <i>Jim W. Reed</i>	BGA
Title: <i>District Supervisor</i>	
Approval Date: 11/18/96	Expiration Date: 11/18/97