

Form 3160-3
(July 1992)

OIL CONSERVATION DIV

811 S. 1st E

ARTESIA, NM 88210-2834

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN THE DATE

(Other instructions on back)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

OIL CON. DIV.
DIST. 2

b. TYPE OF WELL

OIL WELL ☒

GAS WELL ☐

OTHER

SINGLE ZONE

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

Penwell Energy, Inc. 147380 (915) 683-2534

3. ADDRESS AND TELEPHONE NO.

600 N. Marienfeld, Ste. 1100, Midland, Texas 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

760' FSL & 1830' FEL
660' FSL & 1980' FEL

Unit 0

At proposed prod. zone

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

7 miles East of Malaga New Mexico

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

640

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

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

1400'

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

2986' GR

22. APPROX. DATE WORK WILL START

November 30, 1996

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|--------------------------|
| 17 1/2" | H-40 13 3/8 | 48# | 350' | 250 sx. Circ. to surface |
| 12 1/4" | J-55 8 5/8" | 32# | 3100' | 500 sx. Circ. to surface |
| 7 7/8" | N-80, J-55 | | | |
| 5 1/2" | | 17# | 8500' | 600 sx. Est. TOC 5600' |

1. Drill 17 1/2" hole to 350'. Run & set 350' of 13 3/8" 48#, H-40 ST&C csg. Cmt. w/150 sx. Cl. "C" + 1/4# flocele + 5# Gilsonite/sx. + 2% CaCl, tail in with 100 sx. Cl. "C" + 3% CaCl. Circ. cmt. to surface.

2. Drill 12 1/4" hole to 3100'. Run and set 3100' of 8 5/8" 32#, J-55, 8rd ST per sx + 8% salt, Tail in with 200 sx. Cl. C + 2% CaCl. Circ. to surf.

3. Drill 7 7/8" hole to 8500'. Run and set 8500' of 5 1/2" as follows: 2900' of N-80 17#, LT&C, 4800' of J-55, 17#, LT&C, 1400' of N-80 LT&C csg. Cmt. w/600 sx. Cl. "H" + 8% salt + .6% Halad 322 + .6% Halad 344. Est. TOC 5600'.

Posted 10-1
NL & API
11-27-96

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.

SIGNED

Brenda Coffman

TITLE Production Analyst

DATE Sept. 12, 1996

(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:

APPROVED BY

Timothy P. O'Brien

TITLE

Acting Director

DATE

NOV 21 1996