

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, NM 88210-2834

(Other instructions on reverse side)

Form 3160-3
(July 1992)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNITED 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. (915) 683-2534 147380

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

At proposed prod. zone

1980' FSL & 660' FEL

1780' FSL & 860' FEL

1980' FSL & 660' FEL Unit I

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 drlg. 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.

19. PROPOSED DEPTH

8500'

20. ROTARY OR CABLE TOOLS

Rotary

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

3017' GR

22. APPROX. DATE WORK WILL START*

Dec. 20, 1996

23. 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 surf.
12 1/4"	J-55 8 5/8"	32#	3100'	500 sx. Circ. to surf.
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 surf.
2. Drill 12 1/4" hole to 3100'. Run and set 3100' of 8 5/8" 32#, J-55, 8rd ST&C csg. Cmt. w/300 sx. Cl. "C" light + 1/4# flocele/sx 5# Gilsonite 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 EDI
NL & API
12-12-96

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.

24.

SIGNED

Brenda Coffman

TITLE Production Analyst

DATE Sept. 19, 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:

(ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

ADM, MINERALS

DATE

11/22/96

APPROVED BY

*See Instructions On Reverse Side