

District I  
PO Box 1980, Hobbs, NM 88241-1980  
District II  
PO Drawer DD, Artesia, NM 8821  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
PO Box 2088, Santa Fe, NM 87504-2088

State of New Mexico  
Energy, Minerals & Natural Resources Department

OIL CONSERVATION DIV. N  
PO Box 2088  
Santa Fe, NM 87504-2088

Form C-101.  
Revised February 10, 1994  
Instructions on back  
Submit to Appropriate District Office  
State Lease - 6 Copies  
Fee Lease - 5 Copies

☐ AMENDED REPORT

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

|  |  |                                     |
|--|--|-------------------------------------|
| Operator Name and Address.<br>PENWELL ENERGY INC.<br>1100 ARCO BUILDING (BILL PIERCE)<br>600 N. MERIENFELD<br>MIDLAND, TEXAS 79701 |  | OGRID Number<br>147380              |
| Property Code<br>20590   |  | Property Name<br>BERETTA "15" STATE |
|  |  | Well No.<br>3                       |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Ida | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| K             | 15      | 23S      | 26E   |         | 1980'         | SOUTH            | 1980'         | WEST           | EDDY   |

8 Proposed Bottom Hole Location If Different From Surface

| UL or lot no.                                 | Section | Township | Range | Lot Ida | Feet from the   | North/South line | Feet from the | East/West line | County |
|---|---------|----------|-------|---------|-----------------|------------------|---------------|----------------|--------|
| Proposed Pool 1<br>UNDES DARK CANYON-DELAWARE |         |          |       |         | Proposed Pool 2 |                  |               |                |        |

|                     |                         |                       |                       |                                     |
|---------------------|-------------------------|-----------------------|-----------------------|-------------------------------------|
| Work Type Code<br>N | Well Type Code<br>O     | Cable/Rotary<br>R     | Lease Type Code<br>S  | Ground Level Elevation<br>3319' GR. |
| Multiple<br>NO      | Proposed Depth<br>5000' | Formation<br>DELAWARE | Contractor<br>Unknown | Spud Date<br>When Approved          |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 24"       | 20"         | Conductor          | 40'           | Redi-mix        | Surface       |
| 17½"      | 13 3/8"     | 48                 | 450'          | 450             | Surface       |
| 12½"      | 8 5/8"      | 24 & 32            | 2400'         | 1050            | Surface       |
| 7 7/8"    | 5½"         | 15.5               | 5000          | 550             | 2100'         |

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.

1. Drill 24" hole to 40'. Set 40' of 20" Conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 450'. Run and set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 300 Sx. of Class "C" Halco Light + additives, tail in with 150 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12½" hole to 2400'. Run and set 2400' of 8 5/8" 24 & 32 # J-55 ST&C casing. Cement with 800 Sx of Class "C" Halco Light cement + additives, tail in with 250 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 5000'. Run and set 5000' of 5½" 15.5 # J-55 ST&C casing. Cement with 350 Sx. of Class "C" + 2% CaCl, tail in with 200 Sx. of Class "H" Premium cement + additives, top of cement 2100'.

Posted ID  
HLM/MT 1-30-98

I hereby certify that the information given above is true and complete to the best of my knowledge and belief.

Signature:

Printed name: Joe T. Janica

Title: Agent

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM  
DISTRICT II SUPERVISOR

Approval Date:

JAN 14 1998

Expiration Date:

1-14-99