

UNITED 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. (BILL PIERCE) 915-683-2534

3. ADDRESS AND TELEPHONE NO.
600 NORTH MARIENFELD, SUITE 1100 MIDLAND, TEXAS 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
At surface 1980' 1980'
1800' FSL & 660' FEL SEC. 12 T22S-R27E EDDY CO. NM
At proposed prod. zone

5. LEASE DESIGNATION AND SERIAL NO.
NM-64584

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
----- 22365

8. FARM OR LEASE NAME, WELL NO.
INDIAN DRAW "12" FED. #1

9. API WELL NO.
31-015-31152

10. FIELD AND POOL, OR WILDCAT
CARLSBAD MORROW SOUTH

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 12 T22S-R27E

12. COUNTY OR PARISH
EDDY CO.

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 6 miles Southeast of Carlsbad 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
360

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

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

19. PROPOSED DEPTH
12,300'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3130' GR.

22. APPROX. DATE WORK WILL START*
When approved

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor 20"	NA	40'	Cement to surface with Redi-mix.
17½"	H-40 13 3/8"	48	400'	425 Sx. Cement to surface
12½"	N-80 9 5/8"	43.5	5850'	SUBJECT TO LIKE APPROVAL BY STATE
8 3/4"	S-95, N-80 5½"	17	12,300'	

1. Drill 25" hole to 40'. set 40' of 20" conductor and cement to surface with redi-mix.
2. Drill 17½" hole to 400'. Run and set 400' of 13 3/8" 48# H-40 ST&C casing. Cement with 450 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12½" hole to 5850'. Run and set 5850' of 9 5/8" 43.5# N-80 LT&C casing. Cement with 1250 Sx. of Halco Light + additives, tail in with 400 Sx. of Class "H" cement + additives, circulate cement to surface.
4. Drill 8 3/4" hole to 12,300'. Run and set a 5½" production liner from 12,300' back to 5600'. Run 2400' of 5½" 17# S-95 LT&C and 4300' of 5½" 17# N-80 LT&C casing. Cement with 1000 Sx. of Class "H" Halco Light + additives, tail in with 300 Sx. of Class "H" 50/50 POZ.

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 Jose T. Garcia Agent TITLE _____ DATE 11/18/97
(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 (ORIG. SIGN) HENRIQUE A. LOPEZ TITLE ADM. MINERALS DATE 1-26-98

*See Instructions On Reverse Side