

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 ☒1998 FEB
RECEIVED
ZONE - ARTESIA
OCD - ARTESIA

2. NAME OF OPERATOR

PENWELL ENERGY INC. (BILL PIERCE) 147380 Ph. 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' FNL & 660' FWL SEC. 28 T23S-R29E EDDY CO. NM
At proposed prod. zone SAME

UFE

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

Approximately 10 miles East of Loving 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

1440

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.

3200'

19. PROPOSED DEPTH

14,000'

20. ROTARY OR CABLE TOOLS

ROTARY

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

2995' GR.

22. APPROX. DATE WORK WILL START*

WHEN APPROVED

5. LEASE DESIGNATION AND SERIAL NO.	NM-19848 NM-86024
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	
7. UNIT AGREEMENT NAME	22906
8. FARM OR LEASE NAME, WELL NO.	Cochiti "28" Federal # 1
9. API WELL NO.	30-015-30113
10. FIELD AND POOL, OR WILDCAT	LAGUNA SALADO ATOKA GAS
11. SEC., T., R. M., OR BLK. AND SURVEY OR AREA	SEC. 28 T23S-R29E
12. COUNTY OR PARISH	EDDY CO.
13. STATE	NM

SECRETARY'S POTASH

R-111-P POTASH

PROPOSED CASING AND CEMENTING

CARLSBAD CONTROLLED WATER BASIN

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
17 1/2"	H-40 13 3/8"	48	400'	420 Sx. Circ. Cement to sur
12 1/2"	J-55 9 5/8"	36	2900'	1200 Sx. "WITNESS"
8 3/4"	S-95 7"	26	10400'	375 Sx. Top of cement 7200'
6 1/8"	P-110 4 1/2"	13.5	14000'-10200'	240 Sx. Cement to top of liner

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 400'. Run and set 400' of 13 3/8" H-40 48# ST&C casing. Cement with 420 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12 1/2" hole to 2900'. Run and set 2900' of 9 5/8" J-55 36# ST&C casing. Cement with 1000 Sx. of 35/65 POZ + 1/2# Flocele/Sx. tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 8 3/4" hole to 10400'. Run and set 10,400' of 7" S-95 26# casing. Cement with 375 Sx. of Super "H" Modified cement estimate top of cement 7200'.
5. Drill 6 1/8" hole to 14,000'. Run and set a liner from TD. back to 10,200. Run 3800' of 4 1/2" P-110 13.5# LT&C liner. Cement liner with 240 Sx. of Super "H" cement, bring top of cement to top of liner.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to drill on present productive zone, the proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measurements. If proposal is to drill or deepen without a preventive program, if any.

24.

SIGNED

Post Janica

TITLE Agent

Post ID-1
3-6-98

DATE 01/14/98

(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 there.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

S/M J Chavez

TITLE

STATE Director

DATE

2-23-98

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Instruction on back
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

OIL CONSERVATION DIVISION

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
	79860	LAGUNA SALADO ATOKA GAS
Property Code	Property Name	Well Number
	COCHITI "28" FEDERAL	1
OGRID No.	Operator Name	Elevation
147380	PENWELL ENERGY INC.	2995'

Surface Location

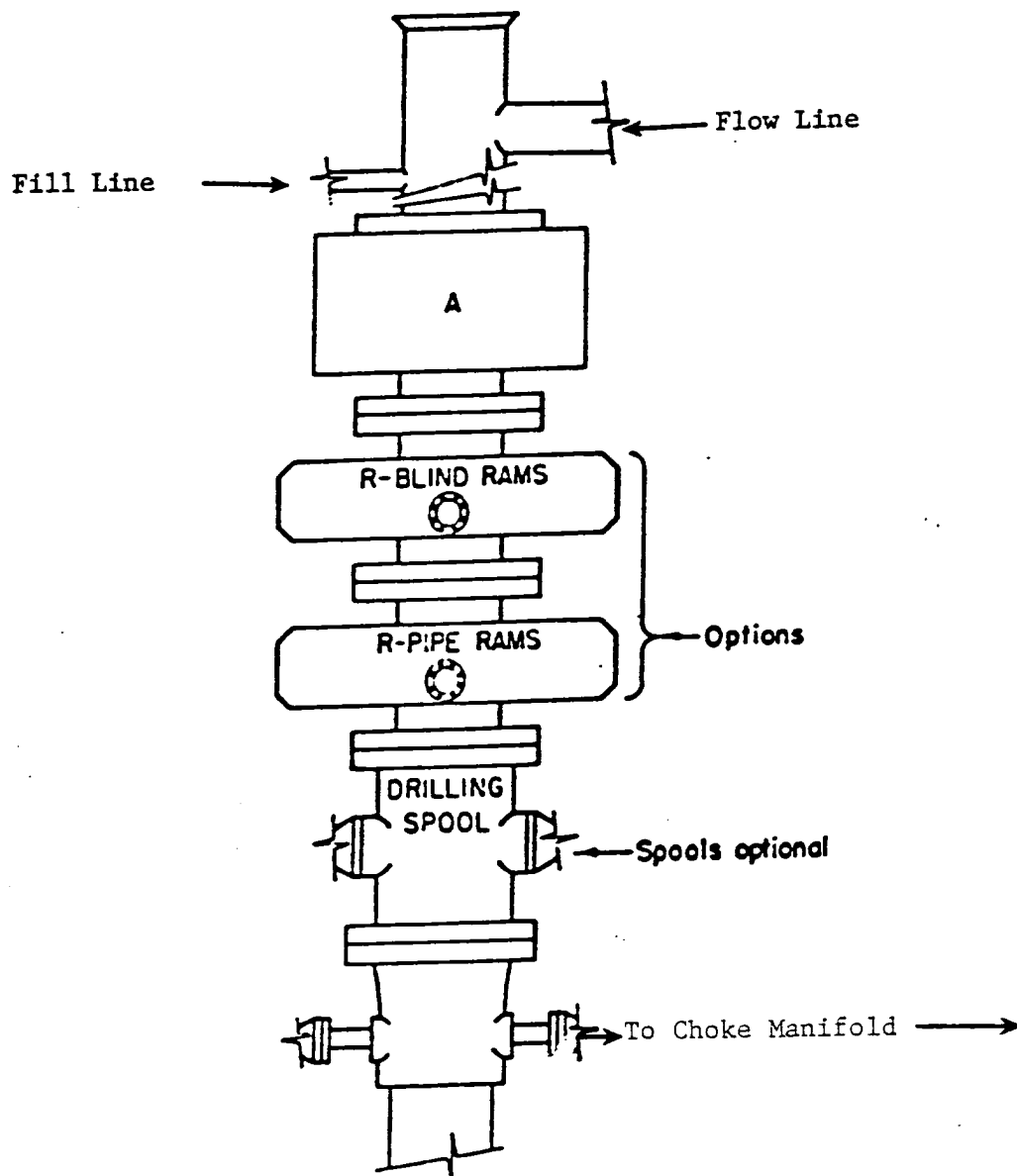
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	28	23 S	29 E		1980	NORTH	660	WEST	EDDY

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
Dedicated Acres	Joint or Infill	Consolidation Code	Order No.						
320									

NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

	OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T. Janica Printed Name Agent Title 01/14/98 Date	
	SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief. December 17, 1997 Date Surveyed Signature & Seal of Professional Surveyor WIDEN No. 7729 Certificate No. Gary L. Jones 1977 BASIN SURVEYS	



ARRANGEMENT SRRA

1500 Series
5000# Working Pressure

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
COCHITI "28" FEDERAL # 1
UNIT "E" SECTION 28
T23S-R29E EDDY CO. NM

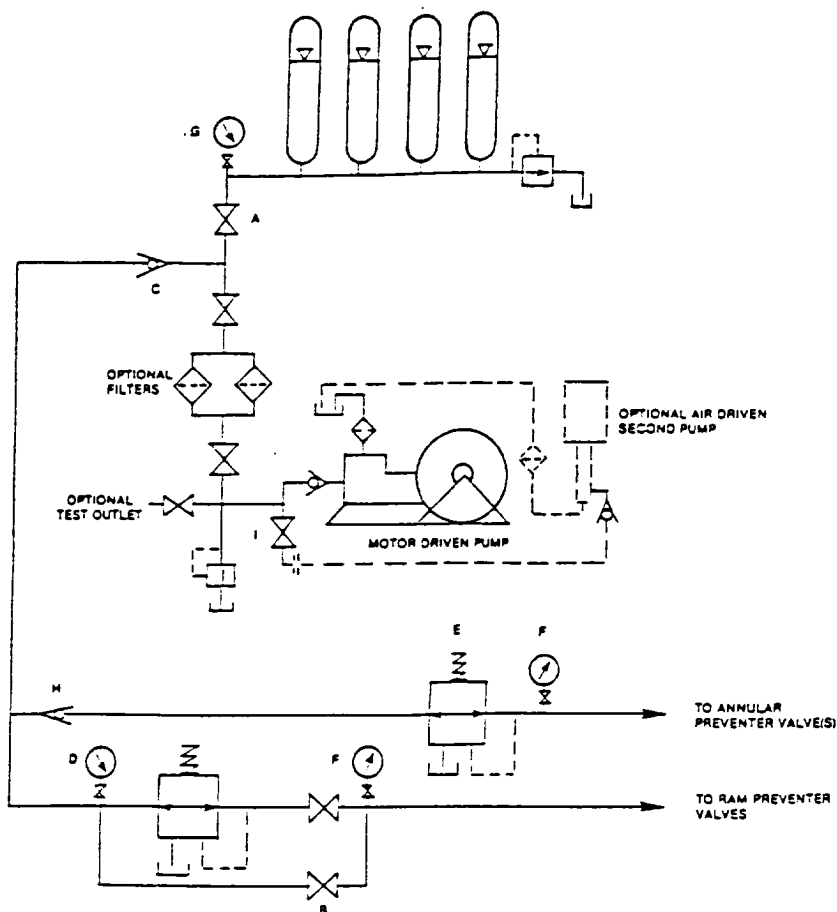


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

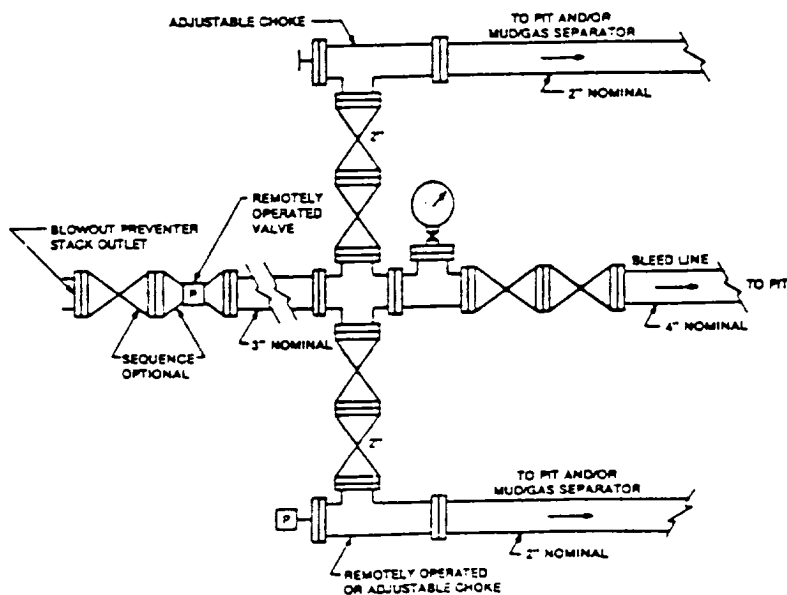


FIGURE K4-2. Typical choke manifold assembly for SM rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
COCHITI "28" FEDERAL # 1
UNIT "E" SECTION 28
T23S-R29E EDDY CO. NM