

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

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

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

OIL CONSERVATION DIVISION

2040 Pacheco St.
Santa Fe, NM 87505

| |
|--|
| WELL API NO. 30-015-30140 |
| Indicate Type of Lease STATE <input checked="" type="checkbox"/> FEE <input type="checkbox"/> |
| State Oil & Gas Lease No. |
| Lease Name or Unit Agreement Name Spuds "36" State |
| Well No. 1 |
| Pool name or Wildcat Pierce Crossing East-Bone Spring |

| | |
|--|--|
| SUNDRY NOTICES AND REPORTS ON WELLS (DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.) | |
| Type of Well: OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> | |
| Name of Operator Penwell Energy, Inc. | |
| Address of Operator 600 N. Marienfeld, Suite 1100, Midland, TX 79701 | |
| Well Location Unit Letter <u>N</u> : <u>560</u> Feet From The <u>North</u> Line and <u>660</u> Feet From The <u>West</u> Line Section <u>36</u> Township <u>24S</u> Range <u>29E</u> NMPM <u>Eddy</u> County | |
| Elevation (Show whether DF, RKB, RT, GR, etc.) 3097' GR | |

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Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐
TEMPORARILY ABANDON ☐ CHANGE PLANS ☐
PULL OR ALTER CASING ☐
OTHER: Drilling Extension Request ☒

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☐ ALTERING CASING ☐
COMMENCE DRILLING OPNS. ☐ PLUG AND ANBANDONMENT ☐
CASING TEST AND CEMENT JOB ☐
OTHER: ☐

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

Penwell Energy, Inc. hereby requests a 1 year drilling extension on the approved APD for the above mentioned well. This request is made due to scheduling problems during 1998.



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

SIGNATURE Linda Walker TITLE Regulatory Analyst DATE 01-07-99

TYPE OR PRINT NAME _____ TELEPHONE NO. _____

(This space for State Use)

APPROVED BY Jim W. Green TITLE District Supervisor DATE 1-12-00

CONDITIONS OF APPROVAL, IF ANY:

District II
811 South First, Artesia, NM 88210
District III
1000 Rio Brazos Rd., Aztec, NM 87410
District IV
2040 South Pacheco, Santa Fe, NM 87505

L CONSERVATION DIVISIC
2040 South Pacheco
Santa Fe, NM 87505

Revised October 18, 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. PENWELL ENERGY, INC. 600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701 | | RECEIVED OCD - ARTESIA | 1 OGRID Number 147380 |
| Property Code 22956 | Property Name SPUDS "36" STATE | | API Number 30 - 015 - 30140 |
| | | | Well No. 1 |

7 Surface Location

| UL or lot no. | Section | Township | Range | Lot Idn | Feet from the | North/South line | Feet from the | East/West line | County |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| Unit "D" | 36 | 24-S | 29-E | | 560' | North | 660' | West | EDDY |

8 Proposed 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 |
|---------------|---------|----------|-------|---------|---------------|------------------|---------------|----------------|--------|
| | | | | | | | | | |

9 Proposed Pool 1

PIERCE CROSSING EAST-BONE SPRING (96473)

10 Proposed Pool 2

| | | | | |
|---------------------|-------------------------|--------------------------|-----------------------|----------------------------------|
| Work Type Code N | Well Type Code O | Cable/Rotary R | Lease Type Code S | Ground Level Elevation 3097' |
| Multiple NO | Proposed Depth 8500' | Formation BONE SPRING | Contractor UNKNOWN | Spud Date As soon as approved |

21 Proposed Casing and Cement Program

| Hole Size | Casing Size | Casing weight/foot | Setting Depth | Sacks of Cement | Estimated TOC |
|-----------|-------------|--------------------|---------------|-----------------|---------------|
| 25" | 20" | Conductor | 40' | Redi-mix | Surface |
| 17½" | 13 3/8" | 48 | 350' | 250 Sx. | " |
| 11" | 8 5/8" | 32 | 3100' | 500 Sx. | " |
| 7 7/8" | 5½" | 17 | 8500' | 600 Sx. | 5600' |

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 25" hole to 40'. Set 40' of 20" conductor cement to surface with Redi-mix.
2. Drill 17½" hole to 350'. Run and set 350' of 13 3/8" H-40 48# ST&C casing. Cement with 150 Sx. Class "C" + ¼# flocele/Sx. + 5# Gilsonite/Sx. + 2% CaCl, tail in with 100 Sx. Class "C" + 3% CaCl, circulate cement to surface.
3. Drill 11" hole to 3100'. Run and set 3100' of 8 5/8" 32# J-55 ST&C casing. Cement with 300 Sx. Class "C" Halco Light + ¼# flocele/Sx. + 5# gilsonite/Sx. + 8% salt, tail in with 200 Sx Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 8500'. Run and set 8500' of 5½" N-80 & J-55 17# LT&C casing as follows, 2900' of N-80 17#, 4800' of J-55 17# , 800' of N-80 17#. Cement with 600 Sx. Class "H" + 8% salt + .6% Halad 322 + .6% Halad 344. Estimate top cement 5600'.

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

Signature:

Printed name: Joe T. Janica

Title: Agent 505-392-2112 Date: 03/02/98

OIL CONSERVATION DIVISION

Approved by:

ORIGINAL SIGNED BY TIM W. GUM

Title:

DISTRICT II SUPERVISOR

Approval Date:

03/02/98

Expiration Date: