Form C-103 C S Revised 1-1-89

Energy, Interes and Indiana Research

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| <u>DISTRICT I</u> P.O. Box 1980, Hobbs, NM 88240 | OIL CONSERVATION DIVISION 2040 Pacheco St. Santa Fe, NM 87505 | | WELL API NO. 30-015-30141 | |
| <u>DISTRICT II</u> P.O. Drawer DD, Artesia, NM 88210 | · | 5,000 | sIndicate Type of Lease | |
| DISTRICT III 1000 Rio Brazos Rd., Aztec, NM 87 | 410 | | «State Oil & Gas Lease No. | |
| SUNDRY MOTICES AND REPORTS ON WELLS | | | | |
| SE THIS FORM F ROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" | | | Lease Name or Unit Agreement Name | |
| (FORM C-101) FOR SUCH PROPOSALS.) | | | Spuds "36" State | |
| Type of Well: Oil GAS WELL WEL | | | | |
| 2Name of Operator | | | «Well No. | |
| Penwell Energy, Inc. | | | ₃Pool name or Wildcat | |
| 600 N. Marienfeld, Suite 1 | 100 Midland TX 79701 | | Pierce Crossing East-Bone Spring | |
| 4Well Location | 100, Wildiana, 177 70701 | | | |
| | 2180 Feet From The North | Line and2310 | Feet From The West Line | |
| , | 36 Township 24S | Range 29E | NMPM Eddy County | |
| Section | □ Elevation (Show whether | | | |
| 3080' GR | | | | |
| | 308 | 0' GR | | |
| 11 Cho | | | port, or Other Data | |
| | eck Appropriate Box to Indicate OF INTENTION TO: | Nature of Notice, Re | port, or Other Data SEQUENT REPORT OF: | |
| NOTICE (| eck Appropriate Box to Indicate | Nature of Notice, Re | | |
| NOTICE (PERFORM REMEDIAL WORK | eck Appropriate Box to Indicate OF INTENTION TO: | Nature of Notice, Re | SEQUENT REPORT OF: ALTERING CASING | |
| NOTICE (| eck Appropriate Box to Indicate OF INTENTION TO: PLUG AND ABANDON | Nature of Notice, Re SUBS | SEQUENT REPORT OF: ALTERING CASING PUG AND ANBANDONMENT | |
| NOTICE (PERFORM REMEDIAL WORK TEMPORARILY ABANDON | eck Appropriate Box to Indicate OF INTENTION TO: PLUG AND ABANDON CHANGE PLANS | Nature of Notice, Re SUB: REMEDIAL WORK COMMENCE DRILLING O | SEQUENT REPORT OF: ALTERING CASING PUG AND ANBANDONMENT | |
| PERFORM REMEDIAL WORK TEMPORARILY ABANDON PULL OR ALTER CASING OTHER: Drilling Extension Re | eck Appropriate Box to Indicate OF INTENTION TO: PLUG AND ABANDON CHANGE PLANS Quest | Nature of Notice, Re SUB: REMEDIAL WORK COMMENCE DRILLING O CASING TEST AND CEMI | SEQUENT REPORT OF: ALTERING CASING PUS AND ANBANDONMENT ENT JOB | |
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| I hereby certify that the information above is true and complete to the best of my knowledge and belief. | | | | |
|--|------------|--------------------------|-----------------|--|
| SIGNATURE June | e Walker | TITLE Regulatory Analyst | DATE 01-07-99 | |
| TYPE OR PRINT NAME | | | TELEPHONE NO. | |
| (This space for State Use) | Sim ly Gem | 0.+.4- | A | |
| APPROVED BY | Sim a sum | TITLE | arvisor 1-11-00 | |

CONDITIONS OF APPROVAL, IF ANY

APPROVED BY

FU DOX 1700, 110001, 000 instructions on back Submit to Appropriate District Office 'L CONSERVATION DIVISION 811 South First, Artesia, NM 88210 74618 9 101172 1378 15 State Lease - 6 Copies 2040 South Pacheco District III Fee Lease - 5 Copies Santa Fe, NM 87505 1000 Rio Brazos Rd., Aziec, NM 87410 District IV AMENDED REPORT 2040 South Pacheco, Santa Fe, NM 87505 APPLICATION FOR PERMIT TO DRILL. RE-ENTER, DEEPE OR ADD A ZONE OGRID Number Operator Name and Address.
PENWELL ENERGY, INC. 147380 600 NORTH MARIENFELD API Number SUITE 1100 30 - 0/*5 - 31/*2 MIDLAND, TEXAS 79701 Well No. ³ Property Name 7 Surface Location East/West line North/South line Feet from the County Feet from the Township Range Lot Idn Section UL or lot no. 2310' West North **EDDY** 2180 Unit "F" 24-S 129-E 36 ⁸ Proposed Bottom Hole Location If Different From Surface North/South line Feet from the East/West line County Feet from the Township UL or lot no. Section 16 Proposed Pool 2 'Proposed Pool 1 PIERCE CROSSING EAST-BONE SPRING (96473) 19 Ground Level Elevation 14 Lease Type Code 13 Cable/Rotary 11 Well Type Code When Type Code S Ω N 30801 3 Spud Date " Contractor 18 Formation 17 Proposed Depth " Multipie As soon as approved UNKNOWN BONE SPRING 85001 NO ²¹ Proposed Casing and Cement Program Sacks of Cement Estimated TOC Casing weight/foot Setting Depth Casing Size Hole Size Surface 40' Redi-mix 20" Conductor 25" 350' |250 Sx. 175 13 3/8" 48 8 5/8" 3100' l500 Sx. 32 11" 600 Sx. 5600 8500 17

7 7/8" 5½" 17 8500 600 5x. 5600

The 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

1. Drill 25" hole to 40'. Set 40' of 20" conductor cement to surface with Redi-mix.

zone. Describe the blowout prevention program, if any. Use additional sheets if necessary.

- 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" + ½# flocele/Sx. + 5# Gilsonite/Sx. +2% CaCl, tail in with 100 Sx. Class "C" + 3% CaCl, circulate cement to surface.
- 3. Drill II" 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 + %3flocele/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 county than the information given above is true and complete to the best of my showledge and beingf. | OIL CONSERVATION DIVISION | |
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| | Approved by: Objected Contains and adding office | |
| Printed name: /Joe T. Janica / | Title: D. Halo, H. S. J. John | |
| 7/2 1 2 2 2 2 2 2 2 2 2 1 1 2 2 2 2 2 2 1 1 2 | Approval Date: MAC 1000 Expiration Date: 7 1000 | |