

N. M. Oil Cons. Division

811 S. 1ST ST.

ARTESIA, N.M. 87003-2004

SUBMIT IN TRIPLICATE\*

(Other instructions on reverse side)

FORM APPROVED OMB NO. 1004-0136 Expires: February 28, 1995

Form 3160-3 (July 1992)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVED MAR 07 1997

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1. TYPE OF WORK DRILL [X] DEEPEN [ ]
2. TYPE OF WELL OIL WELL [X] GAS WELL [ ] OTHER [ ]

3. NAME OF OPERATOR PENWELL ENERGY INC. 147380 (BILL PIERCE) Phone 915-683-2534

4. ADDRESS AND TELEPHONE NO. 1100 ARCO BUILDING 600 N MERINFELD MIDLAND, TEXAS 79701

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*) At surface 1980' FSL & 1880 FEL SEC. 30 T18S-R31E EDDY CO. NEW MEXICO At proposed prod. zone SAME UNIT J

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\* Approximately 7 miles Southeast of Loco Hills new Mexico

7. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest Orig. unit line, if any) 1880'

8. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 200'±

9. ELEVATIONS (Show whether DF, RT, GR, etc.) 3597' GR.

5. LEASE DESIGNATION AND SERIAL NO. LC-029387-EDB
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME, WELL NO. WEST SHUGART "30" FEDERAL # 2 19509
9. APWELLING 30-015-29430
10. FIELD AND POOL, OR WILDCAT WILDCAT Shugart; Wolfcamp W
11. SEC., T., R. M., OR BLM. AND SURVEY OR AREA SEC. 30 T18S-R31E
12. COUNTY OR PARISH EDDY CO. 13. STATE New Mexico

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 24" hole to 40', 17 1/2" hole to 450', 12 1/4" hole to 2800', and 7 7/8" hole to 10,500'.

- 1. Drill 25" hole to 40'. set 40' of conductor pipe cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 450'. Run and set 450' of 48# H-40 13 3/8" ST&C casing. Cement with 400 Sx. Class "C" + 3% CaCl circulate cement to surface.
3. Drill 12 1/4" hole to 2800'. Run and set 2800' of 8 5/8" J-55 32# ST&C casing. Cement with 700 Sx. Class "C" light tail in with 300 Sx. Class "C" neat + 2% CaCl circulate cement to surface.
4. Drill 7 7/8" hole to 10,500'. Run and set 10,500' of 5 1/2" 17# N-80 LT&C casing. Cement 1st stage with 450 Sx. Class "H" cement with additives. DV tool set at 6800'± cement 2nd stage with 400 Sx. Class "C" light + additives tail in with 200 Sx. Class "C" light + additives bring cement back to 2600'± into 8 5/8" casing.

Posted ID-1 NLA HPI 3-14-97

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 [Signature] TITLE Agent DATE 02/14/97

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. SGD.) TONY L. FERGUSON TITLE ADM, MINERALS DATE 3-5-97

\*See Instructions On Reverse Side

cl/f

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 86210

OIL CONSERVATION DIVISION

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

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

AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number <b>30-015-29430</b>		Pool Code <b>96686</b>		Pool Name <b>Wildcat Shugart; Wolfcamp, East</b>	
Property Code <b>19509</b>		Property Name <b>West Shugart "30" Federal</b>			Well Number <b>2</b>
OGRIP No. <b>147380</b>		Operator Name <b>Penwell Energy Inc.</b>			Elevation <b>3597'</b>

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
J	30	18 S	31 E		1980	South	1880	East	Eddy

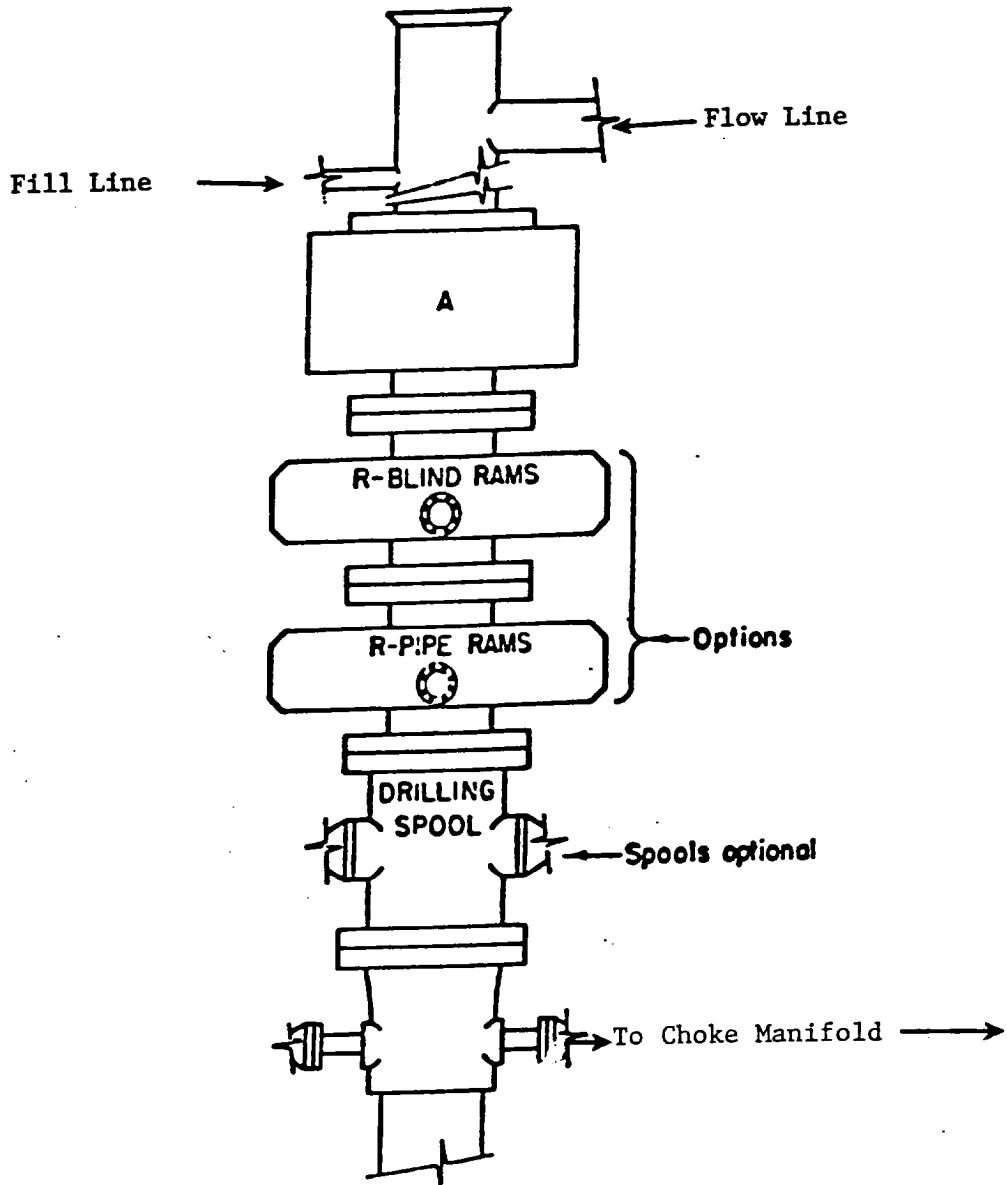
Bottom Hole Location If Different From Surface

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.
40			

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

	<p><b>OPERATOR CERTIFICATION</b></p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T Janica</i> Signature Joe T Janica Printed Name AGENT Title 02/14/97 Date</p>
	<p><b>SURVEYOR CERTIFICATION</b></p> <p>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.</p> <p>February 1, 1997 Date Surveyed GARY L. JONES Signature &amp; Seal Professional Surveyor 7977 No. 70500 Certificate No. 60531 BASIN SURVEYS</p>
	<p>Basin Surveys</p>
	<p>Basin Surveys</p>



**ARRANGEMENT SRRA**

1500 Series  
 5000# Working Pressure

EXHIBIT "E"  
 B.O.P. SKETCH TO BE USED ON  
 PENWELL ENERGY, INC.  
 WEST SHUGART "30" FEDERAL #2  
 1980' FSL & 1880' FEL SEC.30  
 T18S-R31E EDDY CO. NM

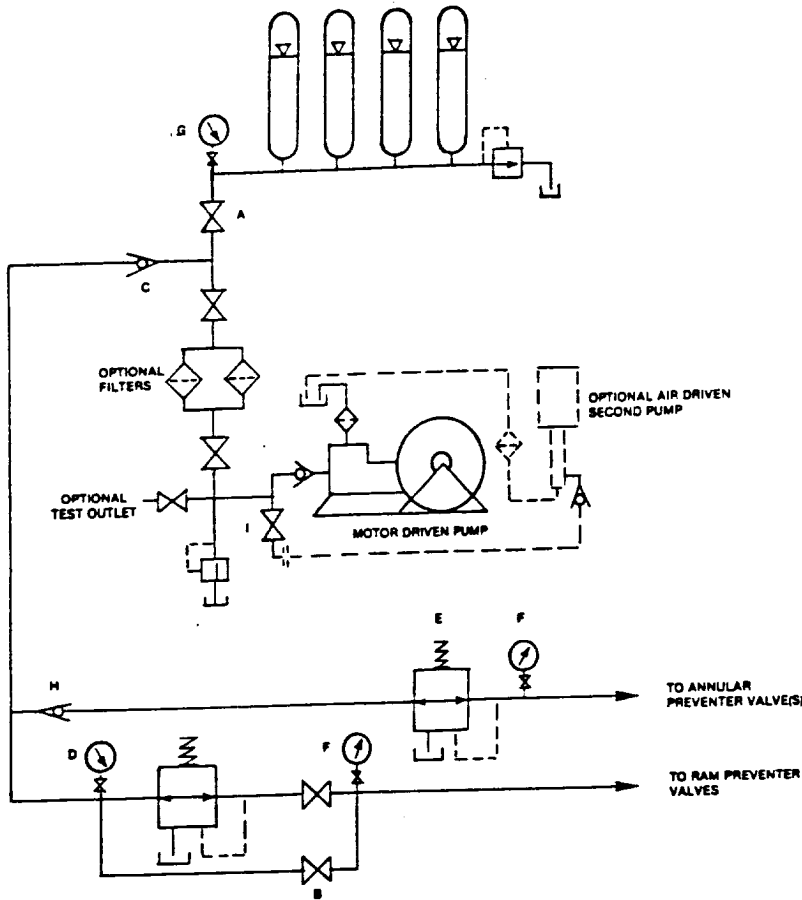


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

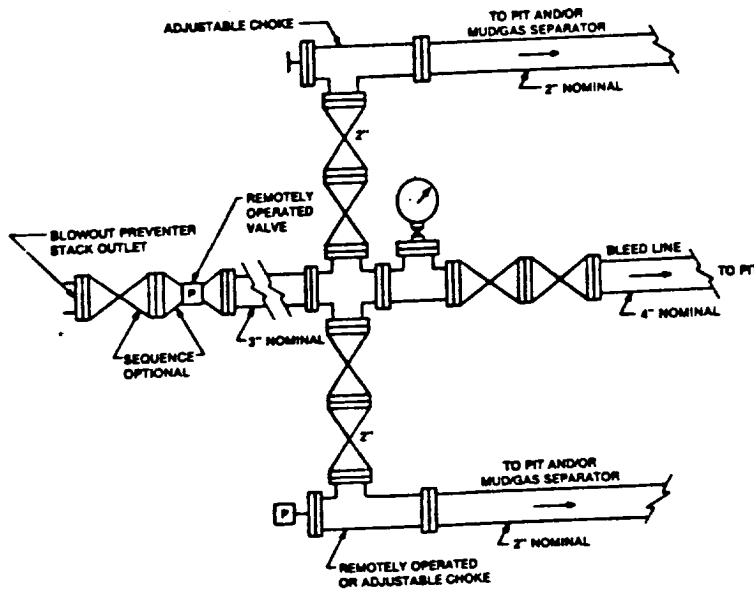


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service - surface installation.

EXHIBIT "1-E"  
CHOKE MANIFOLD & CLOSING UNIT  
PENWELL ENERGY, INC.  
WEST SHUGART "30" FEDERAL #2  
1980' FSL & 1880' FEL SEC.30  
T18S-R31E EDDY CO. NM