

Form 3160-3  
(July 1992)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPLICATE\*  
(Other instructions on  
reverse side)

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

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

b. TYPE OF WELL

OIL  
WELL ☒

GAS  
WELL ☐

OTHER ☐

SINGLE  
BORE ☐

MULTIPLE  
BORE ☐

2. NAME OF OPERATOR

PENWELL ENERGY INC. 147380 (BILL PIERCE)

Phone 915-683-2534

3. ADDRESS AND TELEPHONE NO.

1100 ARCO BUILDING 600 N MERINFELD MIDLAND, TEXAS 79701

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 1650' FSL & 660' FWL SEC. 14 T24S-R29E EDDY CO. NEW MEXICO

At proposed prod. hole 560' SAME

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

Approximately 7 miles East of Malaga New Mexico

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.

660'

(Also to nearest drg. unit line, if any)

16. NO. OF ACRES IN LEASE

640

17. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1320'

18. PROPOSED DEPTH

8350'

20. ROTARY OR CABLE TOOLS

ROTARY

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

2946' GR.

22. APPROX. DATE WORK WILL START

As soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	Conductor Pipe	.25" Thick	40'	Cement to surface/Redi-mix
17 1/2"	H-40 13 3/8"	48	350'	250 Sx. circulate to surface
12 1/2"	J-55 8 5/8"	32	3100'	500 Sx. circulate to surface
7 7/8"	N-80 J-55 5 1/2"	17	8350'	Estimated top cement 5500'

1. Drill 25" hole to 40'. Cement 20" conductor pipe at 40' cement to surface with Redi-mix.

2. Drill 17 1/2" hole to 350'. Run and set 350' of 13 3/8" 48# H-40 casing. Cement with 150 Sx. Class "C" + 1/2# flocele/Sx + 5# gilsonite/Sx + 2% CaCl, tail in with 100 Sx Class "C" + 3% CaCl Circulate cement to surface.

3. Drill 12 1/2" hole to 3100'. Run and set 3100' of 8 5/8" 32# J-55 8-R ST&C casing. Cement with 300 Sx Class "C" light + 1/2# 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 8350'. Run and set 8350' of 5 1/2" casing as follows: 2900' of N-80 17# LT&C, 4800' of J-55 17# LT&C, 750' of N-80 17# LT&C casing. Cement with 600 Sx. Class "H" + 8% salt + .6% Halad 322 + .6% Halad 344. Estimated top cement 5500'

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 Joe T. Jones TITLE Agent DATE 03/21/97

(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. SGD) TONY L. FERGUSON TITLE ADM. MINERALS DATE 6-10-97

\*See Instructions On Reverse Side

Applicant agrees and willfully to make to any department or agency of the