

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT 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 ☐

2. NAME OF OPERATOR

PENWELL ENERGY INC. (BILL PIERCE)

3. ADDRESS AND TELEPHONE NO.

600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701 Ph. 915-683-2534

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

At surface

1880' FNL & 1880' FWL SEC. 24 T22S-R25E EDDY CO. NM

At proposed prod. zone

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

Approximately 5 miles Northwest of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

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

1880'

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

NA

16. NO. OF ACRES IN LEASE

320

19. PROPOSED DEPTH

11,500

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

20. ROTARY OR CABLE TOOLS

ROTARY

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

3414' 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 20"	NA	40'	Cement to surface with Redi-mix.
17 1/2"	H-40 13 3/8"	48	600'	650 Sx. Circulate to surface.
12 1/2"	J-55 9 5/8"	36	2250'	1400 Sx. Circulate to surface.
8 3/4"	S-95 5 1/2"	17	11,500'	2350 Sx. 2 stages

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

2. Drill 17 1/2" hole to 600'. Run and set 600' of 13 3/8" 48# H-40 ST&C casing. Cement with 600 Sx. of Class "C" + 2% CaCl, circulate cement to surface.

3. Drill 12 1/2" hole to 2250'. Run and set 2250' of 9 5/8" 36# J-55 ST&C casing. Cement with 200 Sx. of Thixotropic Class "C" + 10% Cal-seal + 2% CaCl follow with 950 Sx. of Class "C" Halco Light + 3# Flocele/Sx = 1# Gilsonite/Sx + 6% Gel + 12% salt, tail in with 250 Sx. of Class "C" + 2% CaCl, circulate cement to surface.

4. Drill 8 3/4" hole to 11,500'. Run and set 11,500' of 5 1/2" 17# S-95 LT&C casing. Cement in two stages. First stage cement with 1100 Sx. of Modified Super "H" + .4% CFR 3 + 5# Gilsonite/Sx. + .5% Halad 344 + 3# salt/Sx. Second stage cement with 1050 Sx. of Class "C" Halco Light + 1/2# flocele/Sx. + 1# Gilsonite/Sx. + 6% Gel, tail in with 200 Class "C".

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

TITLE Agent

Approval Subject to
General Requirements and
Special Stipulations
Attached

DATE 07/16/97

(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

TITLE

MINERALS

DATE

8.18.97

*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 87501
JUL 20 1997 A 9:40

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-015-29799	Pool Code 78060	Well Name HAPPY VALLEY MORROW - GAS
Property Code 20018	Property Name Filaree "24" Federal Com.	Well Number 2
GRID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3414'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
F	24	22 S	25 E		1880	North	1880	West	Eddy

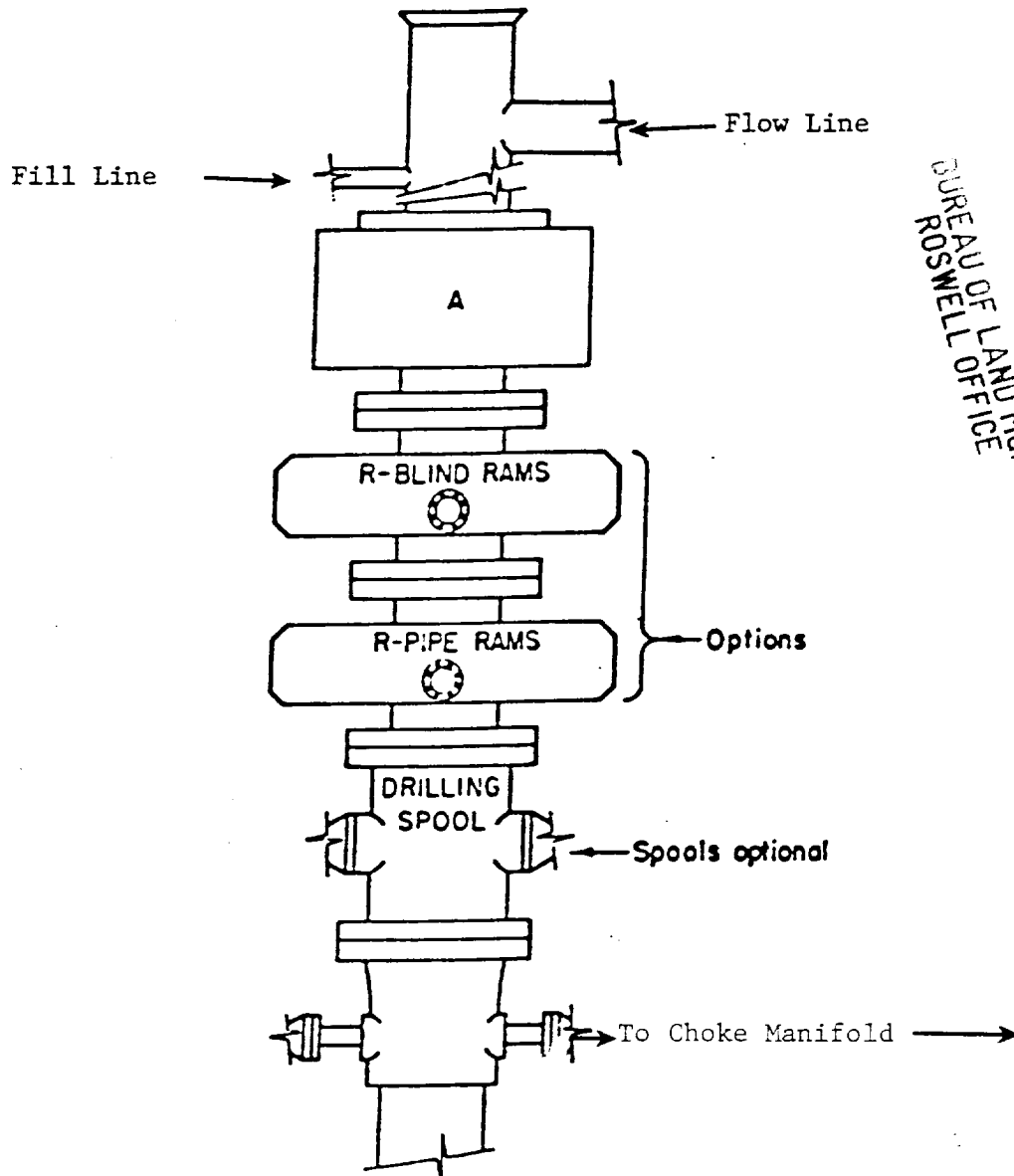
Bottom Hole Location If Different From Surface

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 that the information contained herein is true and complete to the best of my knowledge and belief. Signature Joe T. Janica Printed Name Agent Title 07/16/97 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. June 23, 1997 Date Surveyed
	 Signature & Seal of Professional Surveyor W.O. Num. 7354C
	Certificate No. _____ JUL 23 1997



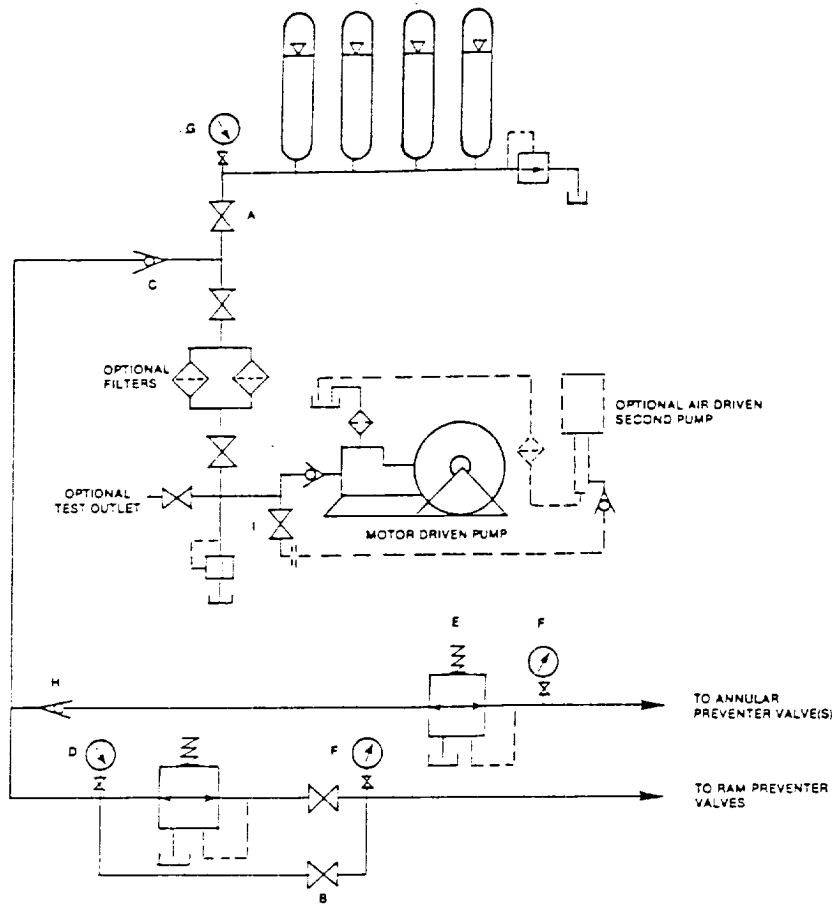
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BUREAU OF LAND MGMT.
ROSWELL OFFICE

ARRANGEMENT SRRA

1500 Series
5000# Working Pressure

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON

PENWELL ENERGY, INC.
FILAREE "24" FEDERAL COM. #2
UNIT "F" SECTION 24
T22S-R25E EDDY CO. NM



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ROSWELL OFFICE

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

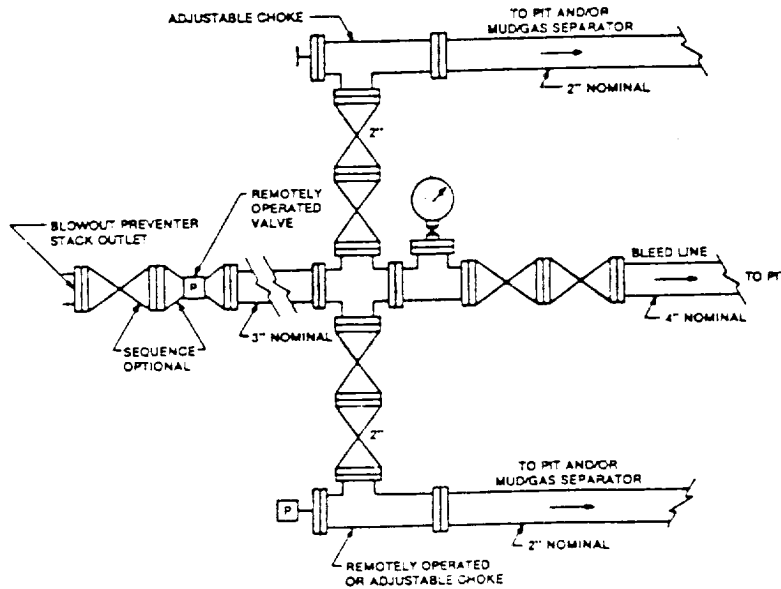


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "1-E"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
FILAREE "24" FEDERAL COM. #2
UNIT "F" SECTION 24
T22S-R25E EDDY CO. NM