

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐

b. TYPE OF WELL

OIL
WELL ☒GAS
WELL ☐OTHER ☐SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

PENWELL ENERGY, INC. 147380 (BILL PIERCS) 915-683-2534

3. ADDRESS AND TELEPHONE NO.

600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701

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

At surface

660' FNL & 1980' FEL SEC. 5 T22S-R31E EDDY CO. NM

At proposed prod. zone

SAME SECRETARY'S POTASH

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

Approximately 25 miles East of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660'

16. NO. OF ACRES IN LEASE

320

17. NO. OF ACRES ASSIGNED

TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1320'

19. PROPOSED DEPTH

8350'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3415' GR.

22. APPROX. DATE WORK WILL START*

WHEN 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
17½"	H-40 13 3/8"	48	550'	500 Sx. circulate cement to surface
12½"	J-55 8 5/8"	32	4000'	1200 Sx. " " " "
7 7/8"	N-80 5½"	17	8350'	1450 Sx. " " " "

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 550'. Run and set 550' of 13 3/8" 48# H-40 ST&C casing. Cement with 300 Sx. of Class "C" Halco Light + additives, tail in with 200 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12½" hole to 4000'. Run and set 4000' of 8 5/8" 32# J-55 ST&C casing. Cement with 900 Sx. of Class "C" Halco Light + 5# salt/ Sx., tail in with 300 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 8350'. Run and set 8350' of 5½" 17# N-80 LT&C casing. Cement in three stages. Cement 1st stage with 500 Sx. of Class "H" Premium + 5% Micro Bond, 2nd stage cement with 500 Sx. of Class "C" cement + 10# Gilsonite/Sx., 3rd stage cement with 300 Sx. of Class "C" Halco Light, tail in with 150 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.

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. Janice

TITLE Agent

APPROVAL SUBJECT TO

GENERAL REQUIREMENTS AND

02/09/98

(This space for Federal or State office use)

SPECIAL STIPULATIONS

ATTACHED

PERMIT NO.

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

15/M S Chance

TITLE

STATE Director

DATE

3-23-98

*See Instructions On Reverse Side

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

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

OIL CONSERVATION DIVISION

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code 96582	Pool Name LOST TANK WEST DELAWARE
Property Code	Property Name Loper "5" Federal	Well Number 4
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3415'

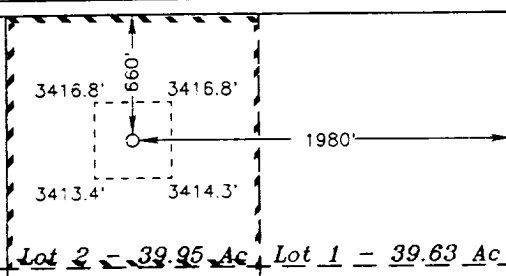
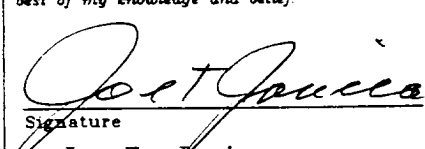
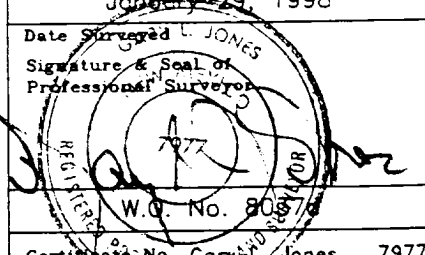
Surface Location

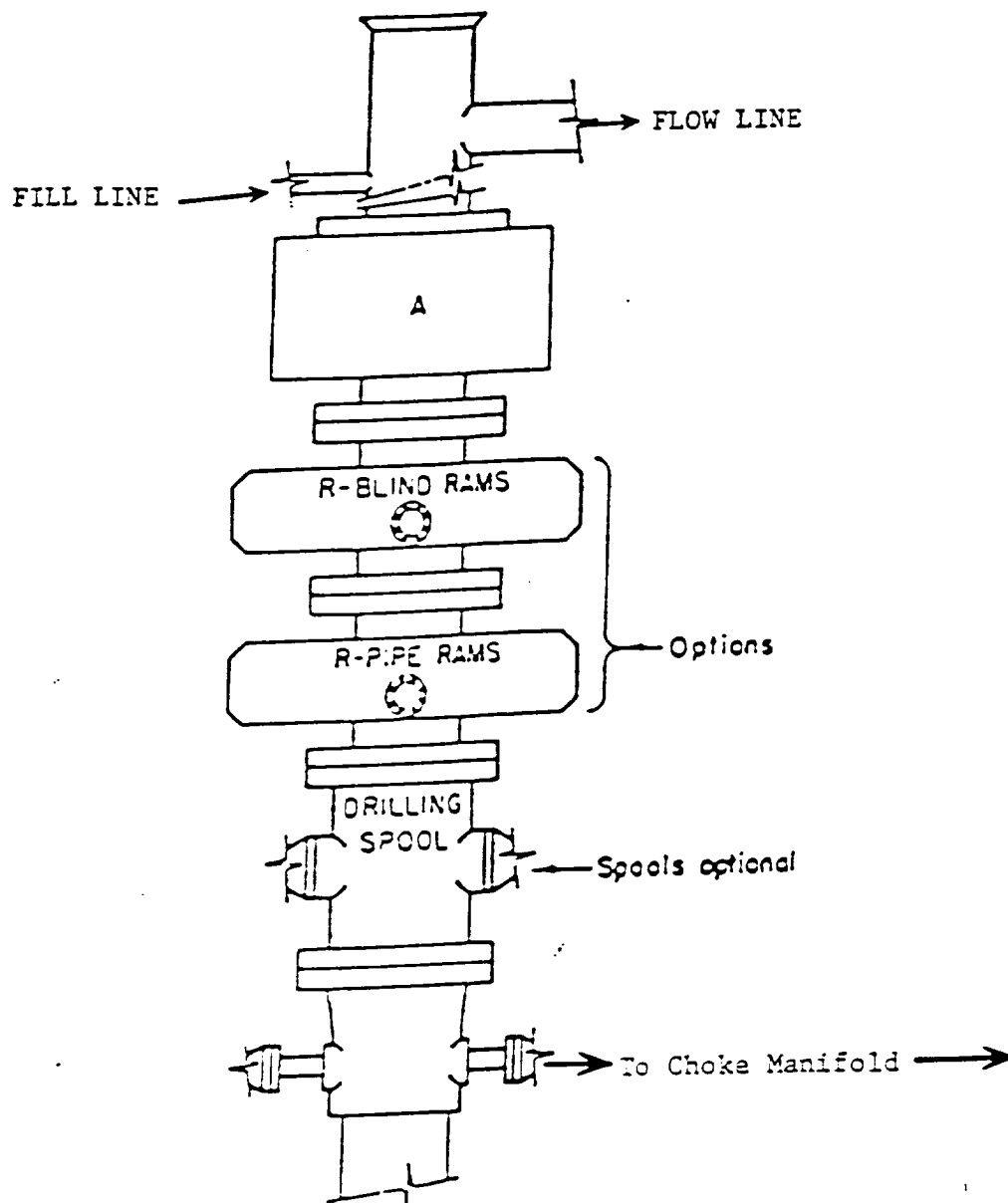
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
Lot 2	5	22 S	31 E		660	North	1980	East	Eddy

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 40	Joint or Infill	Consolidation Code	Order No.						

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

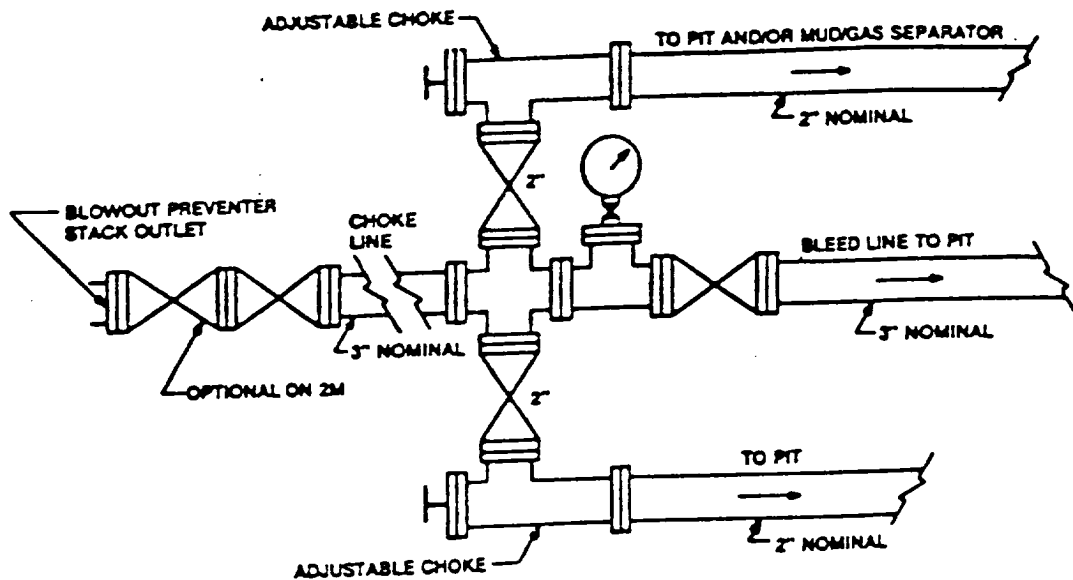
				OPERATOR CERTIFICATION I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.  Signature Joe T. Janica Printed Name Agent Title 02/09/98 Date	
				SURVEYOR CERTIFICATION I hereby certify that the well location shown on this plat was plotted 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. January 29, 1998 Date Surveyed Signature & Seal of Professional Surveyor  Certificate No. Gary L. Jones 7977 BASIN SURVEYS	



ARRANGEMENT SRRA

900 Series
3000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
LOPER "5" FEDERAL # 4
UNIT "B" SECTION 5
T22S-R31E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

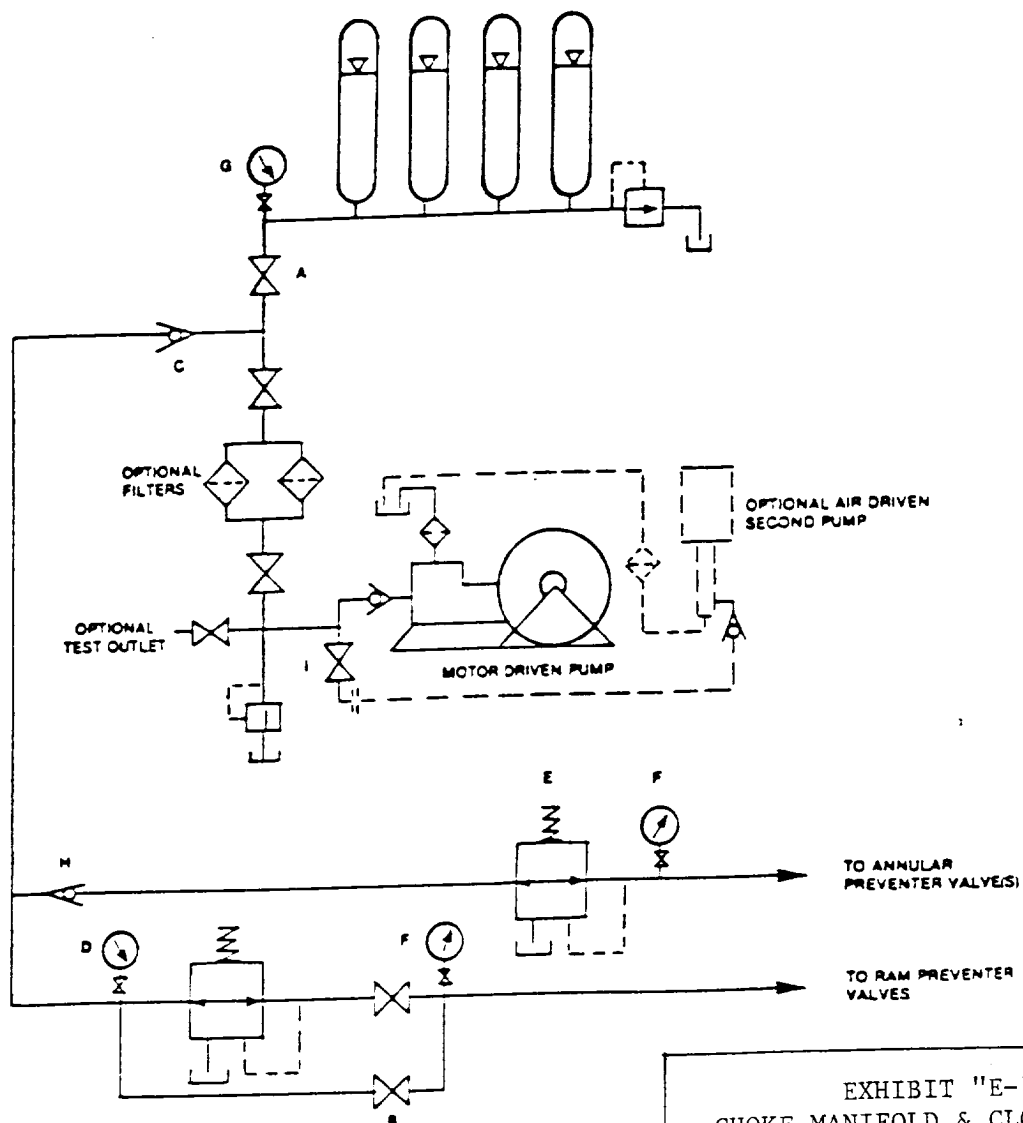


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
LOPER "5" FEDERAL # 4
UNIT "B" SECTION 5
T22S-R31E EDDY CO. NM