

N. M. Oil Cons. Division

111 S. 1ST ST.

ARTESIA, NM 88210-2834

SUBMIT IN DUPLICATE*

(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

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. (BILL PIERCE) Ph 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

1730' FSL & 660' FWL SEC. 29 T23S-R26E EDDY CO. NM

At proposed prod. zone SAME

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

Approximately 12 miles Southwest 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

320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

12,000'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3468' GR.

CARLSBAD CONTROLLED WATER BASIN

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	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	2500'	1550 Sx. circulate to surface
8 3/4"	S-95 N-80 5 1/2"	17	12,000'	2400 Sx cement in 2 stages

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

2. Drill 17 1/2" hloe to 600'. Run and set 600' of 13 3/8" 48# H-40 ST&C casing. Cement with 650 Sx. of Class "C" + 2% CaCl, circulate cement to surface.

3. Drill 12 1/2" hole to 2500'. Run and set 2500' of 9 5/8" 48# J-55 ST&C casing. Cement with 200 Sx. of Thixotropic Class "C" + 10% Cal-Seal + 2% CaCl follow with 1100 Sx. of Class "C" Halco Light + 1/2# 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 12,000'. Run and set 12,000' of 5 1/2" casing as follows. 2000' of 17# S-95 LT&C, 10000' of 17# N-80 LT&C. Cement in two stages. 1st stage 1100 Sx. of Modified Super "H" + .4 CFR-3 + 5# Gilsonite/ Sx. + .5% Halad 344 + 3# salt/Sx. 2nd stage 1050 Sx. of Class "C" Halco Light + 1/2# flocele/Sx. + 1# Gilsonite/Sx. + 6% Gel, tail in with 200 Sx. of Class "C" + 2% CaCl.

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

(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

ARMANDO A. LOPEZ

TITLE

Acting

ADM. MINERALS

DATE

APR 10 1998

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the

RECEIVED
BUREAU OF LAND MGMT.
ROSWELL OFFICE

1997 OCT -1 A 11:10

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	Pool Name
		73960	SOUTH CARLSBAD-MORROW
Property Code	Property Name		Well Number
20840	FH "29" Federal Com		2
OGRID No.	Operator Name		Elevation
147380	Penwell Energy Inc.		3468'

Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
L	29	23 S	26 E		1730	South	660	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

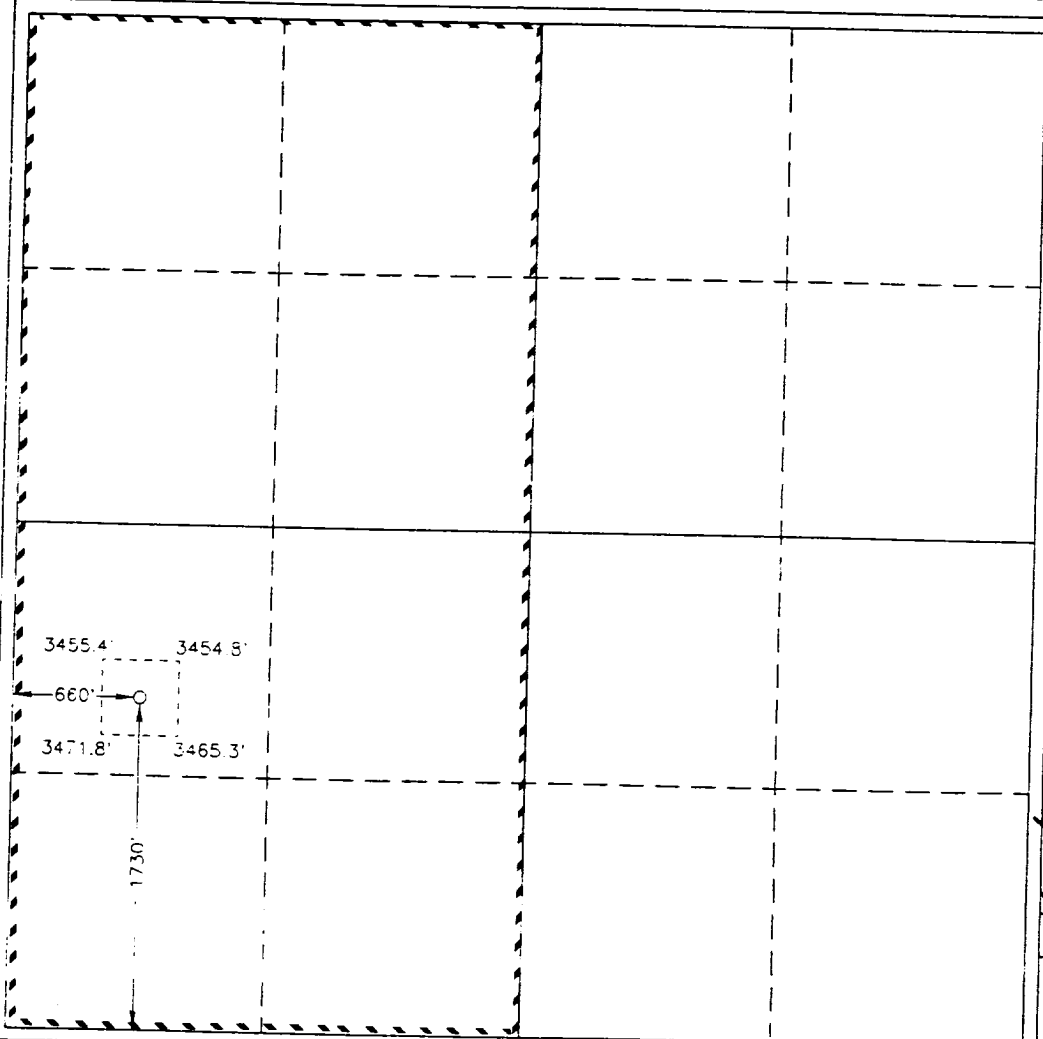
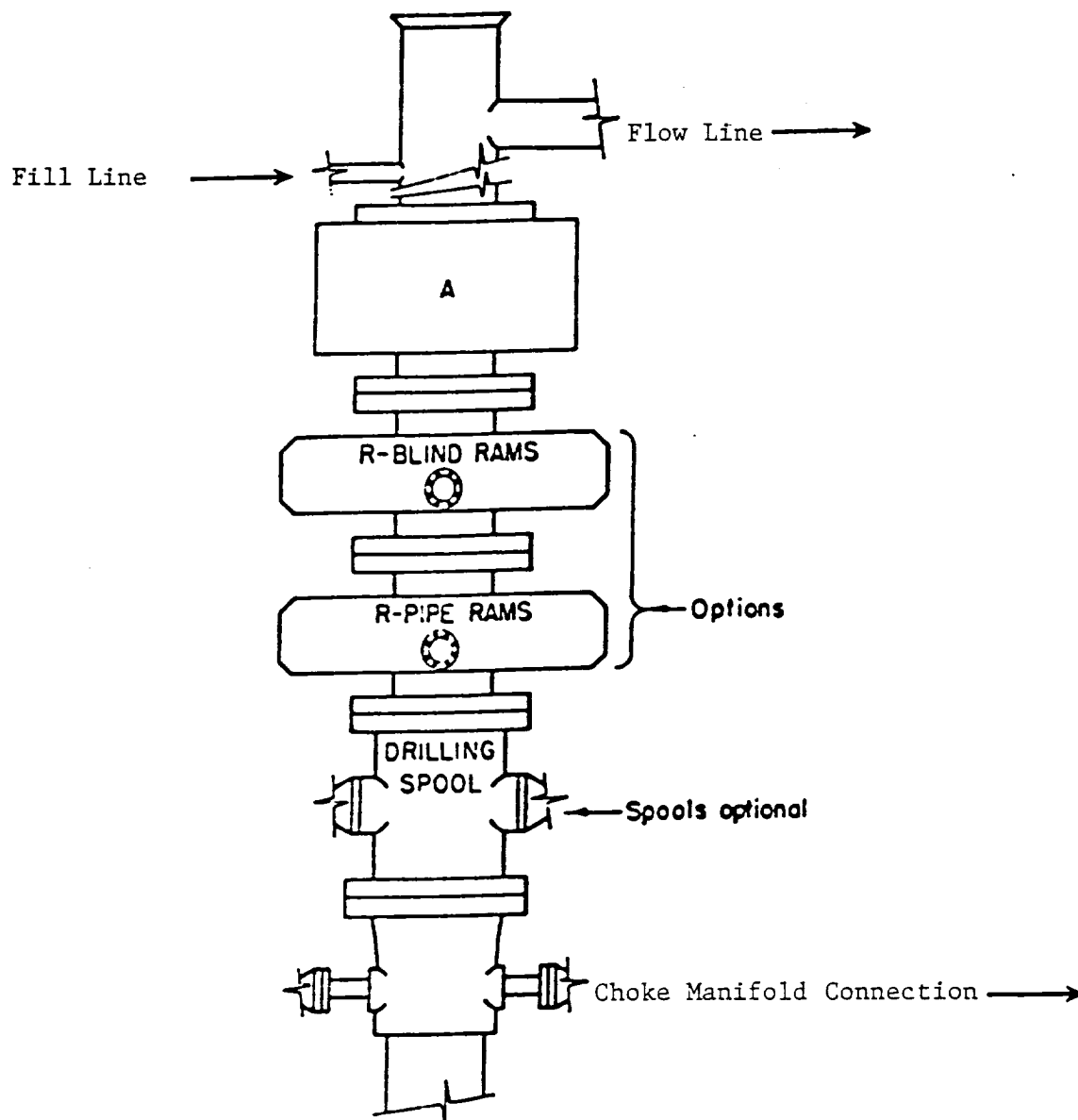
	<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 04/01/98 Date</p>
	<p>SURVEYOR CERTIFICATION</p> <p>I hereby certify that the 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>September 26, 1997 Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 75508 Certificate No. Gary L. Jones 7977 BASIN SURVEYS</p>

EXHIBIT "A"



ARRANGEMENT SRRA

1500 Series
5000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
FH "29" FEDERAL COM. # 2
UNIT "L" SECTION 29
T23S-R26E EDDY CO. NM

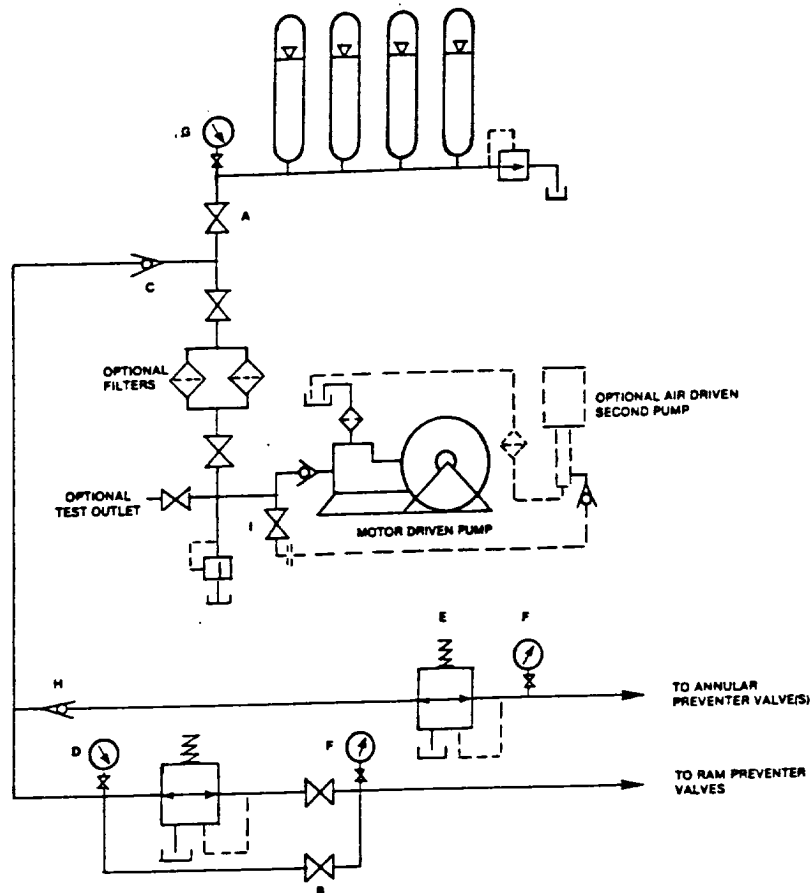


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

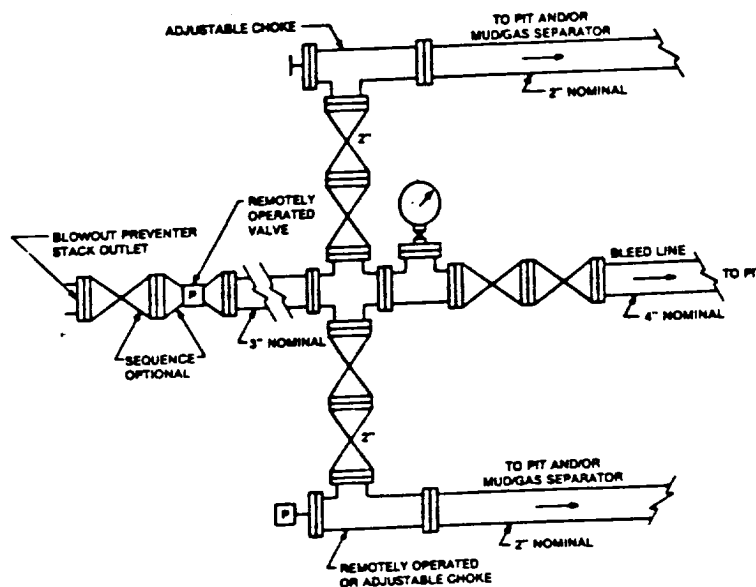


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
FH "29" FEDERAL COM. # 2
UNIT "L" SECTION 29
T23S-R26E EDDY CO. NM