

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

N.M. Oil Corp. Division
3160-3 SUBMIT REPLICATE
ARTESIAN (Other Instructions on 3160-3)

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 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
1880' FNL & 1980' FEL SEC. 17 T19S-R31E EDDY CO. NM.
At proposed prod. zone SAME

5. LEASE DESIGNATION AND SERIAL NO.
NM-99040

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
22907

9. API WELL NO.
30-115-30273

10. FIELD AND POOL, OR WILDCAT
LUSK WEST-MORROW

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 17 T19S-R31E

12. COUNTY OR PARISH
EDDY CO.

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 12 miles Southeast of Loco Hills New Mexico

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

16. NO. OF ACRES IN LEASE
480

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.
2300'

19. PROPOSED DEPTH
12,500'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3453' 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
17 1/2"	H-40 13 3/8"	48	450'	450 Sx. circulate cement to sur.
11"	J-55 8 5/8"	32	3500'	950 Sx. " " " "
7 7/8"	S-95, N-80 5 1/2"	17	12,500'	1400 Sx. estimated top C. 6000'

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 450'. Run and set 450' of 13 3/8" H-40 48# ST&C casing. Cement with 450 Sx. of Class "C" + 2% CaCl + 1/4# flocele Sx., circulate cement to surface.
3. Drill 11" hole to 3500'. Run and set 3500' of 8 5/8" J-55 32# ST&C casing. Cement with 650 Sx. of Halco Light+ additives, tail in with 300 Sx. of Class "C" + 2% CaCl, circulate cement to surface.
4. Drill 7 7/8" hole to 12,500'. Run and set 12,500' of 5 1/2" casing as follows: 2300' of 5 1/2" 17# S-95 LT&C, 9000' of 17# N-80 LT&C, 1200' of 17# N-80 Buttress thread. Cement with 1000 Sx. of Class "H" Halco Light + additives, tail in with 400 Sx. of Class "H" 50/50 POZ, estimated top of cement 6000'.

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. Janica Agent DATE 04/28/98

(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 enable the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY _____ TITLE MANAGER DATE 5-20-98
*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 80840	Pool Name LUSK WEST-MORROW
Property Code	Property Name RANGER "17" FEDERAL	Well Number 2
OGRID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3453'

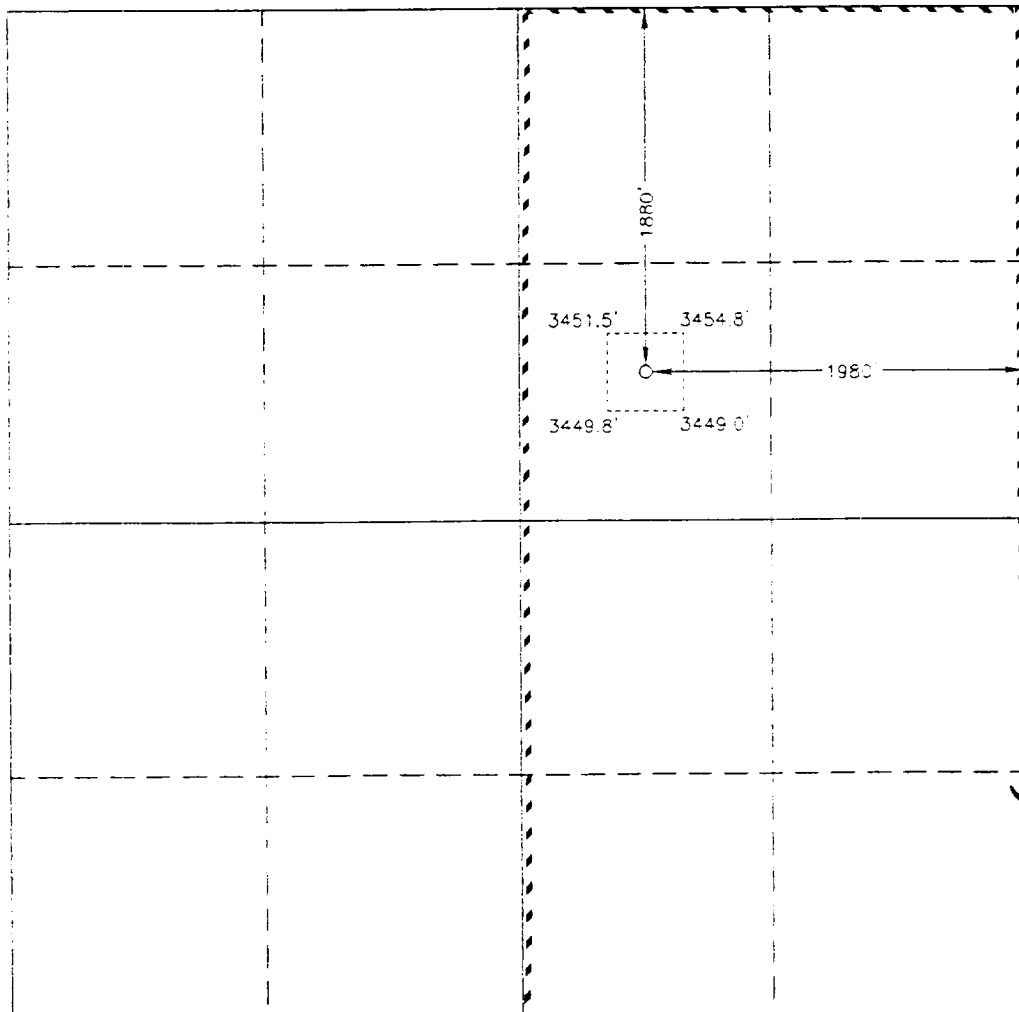
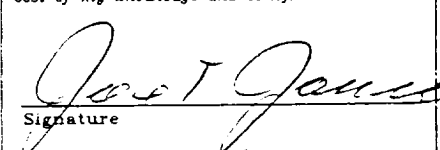
Surface Location

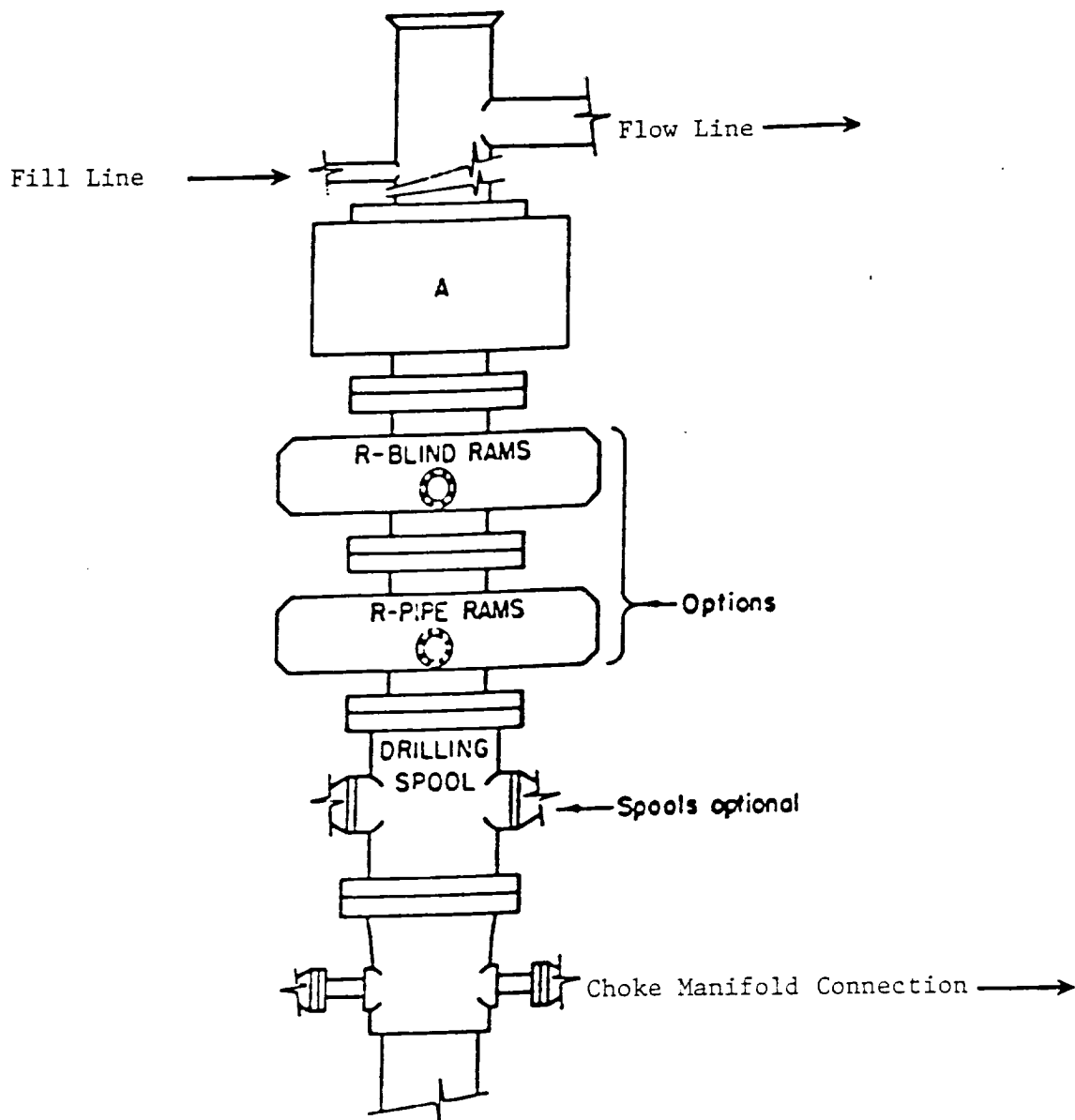
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
G	17	19 S	31 E		1880	NORTH	1980	EAST	EDDY

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 320	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 04/28/98 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. APRIL 06 1998 Date Surveyed Signature & Seal of Professional Surveyor W.O. No. 81804 Certificate No. Gary L. Jones 7977 BASIN SURVEYS
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ARRANGEMENT SRRA

1500 Series
5000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
INDIAN DRAW "17" FEDERAL # 2
UNIT "G" SECTION 17
T19S-R31E EDDY CO. NM

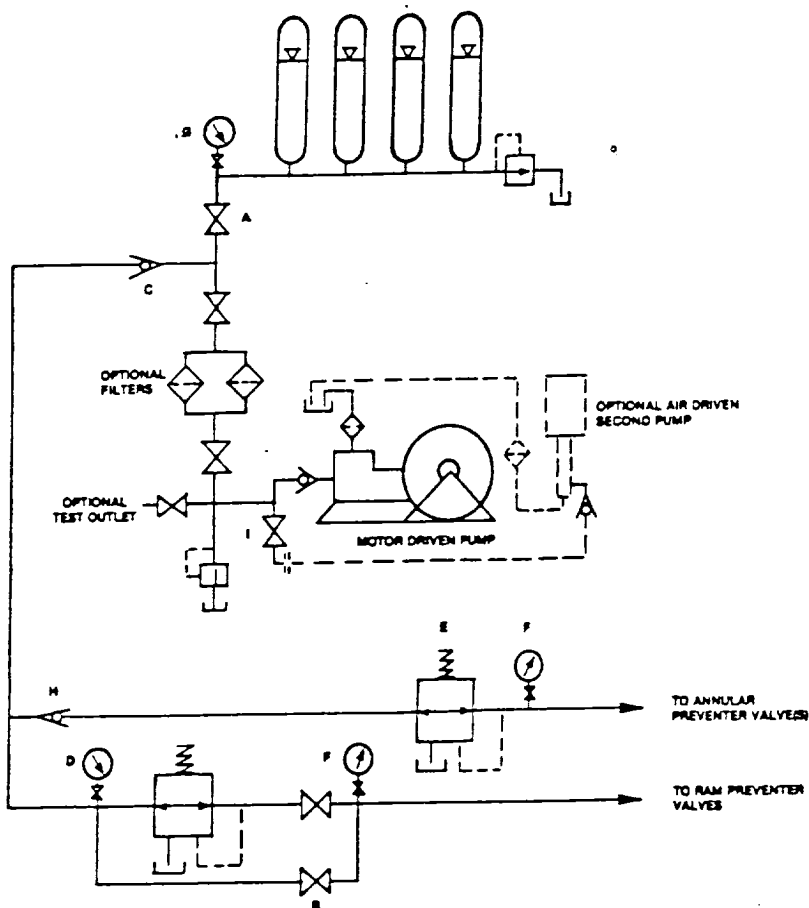


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

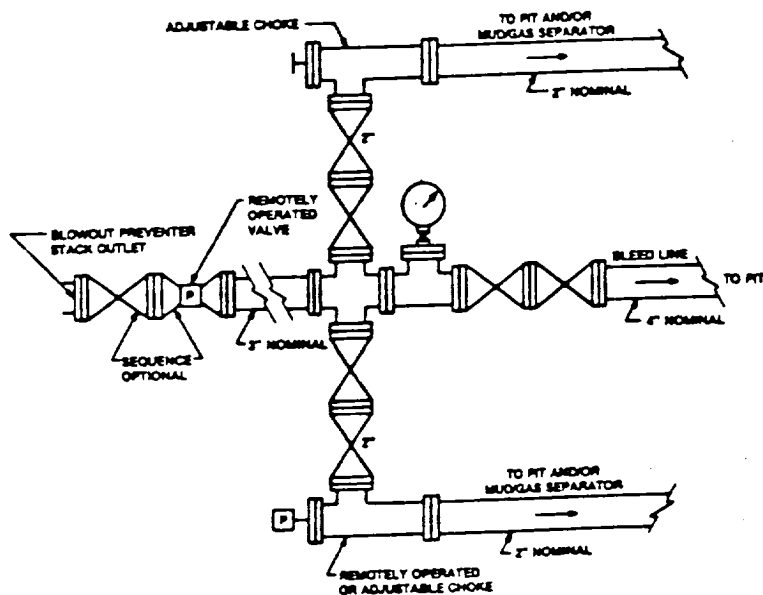


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & COLSING UNIT

PENWELL ENERGY, INC.
INDIAN DRAW "17" FEDERAL # 2
UNIT "G" SECTION 17
T19S-R31E EDDY CO. NM