

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

1980' FWL &amp; 1980' FSL SEC. 25 T24S-R29E EDDY CO. NM

At proposed prod. zone

SAME

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

Approximately 10 miles Southeast of Malaga New Mexico

## 15. DISTANCE FROM PROPOSED\*

LOCATION TO NEAREST  
PROPERTY OR LEASE LINE, FT.  
(Also to nearest drlg. unit line, if any) 660'

## 16. NO. OF ACRES IN LEASE

240

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

8500'

## 20. ROTARY OR CABLE TOOLS

ROTARY

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

3087' GR.

## 22. APPROX. DATE WORK WILL START\*

As soon as approved

## 23.

## PROPOSED CASING AND CEMENT

## CARLSBAD CONTROLLED WATER BASIN

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	350'	250 Sx. circulate to surface
12½"	J-55 8 5/8"	32	3100'	500 Sx. circulate to surface
7 7/8"	N-80 J-55 5½"	17	8500'	600 Sx. estimated top cement 5600'

1. Drill 25" hole to 40'. Set 40' of 20" conductor cement to surface with Redi-mix.
2. Drill 17½" hole to 350'. Run and set 350' of 13 3/8" H-40 48# ST&C casing. Cement with 150 Sx. Class "C" + ¼# flocele/Sx. + 5# Gilsonite/Sx. + 2% CaCl, tail in with 100 Sx. Class "C" + 3% CaCl, circulate cement to surface.
3. Drill 11" hole to 3100'. Run and set 3100' of 8 5/8" 32# J-55 ST&C casing. Cement with 300 Sx. Class "C" Halco Light + ¼# 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 8500'. Run and set 8500' of 5½" N-80 & J-55 17# LT&C casing as follows, 2900' of N-80 17#, 4800' of J-55 17# , 800' of N-80 17#. Cement with 600 Sx Class "H" + 8% salt +.6% Halad 322 + .6% Halad 344. Estimate top cement 5600'. *Post ID 1 8-21-98 API + loc*

APPROVAL SUBJECT TO  
GENERAL REQUIREMENTS AND  
SPECIAL STIPULATIONS  
ATTACHED

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 prevention program if any.

24.

SIGNED

*Jose Garcia*

TITLE Agent

DATE 02/06/98

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

APPROVED BY (ORIG. SGD.) ARMANDO A. LOPEZ

TITLE

Acting  
Assistant Field Office Manager,  
Lands and Minerals

DATE

AUG 11 1998

\*See Instructions On Reverse Side