

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENTSUBMIT
(Other actions 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

SINGLE
ZONE ☒MULTIPLE
ZONE ☐

2. NAME OF OPERATOR

PENWELL ENERGY, INC.

(BILL PIERCS) 915-683-2534 147380

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
1650' FEL & 660' FNL SEC. 8 UNIT "B" T17S-R27E EDDY CO. NM
At proposed prod. zone SAME

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

Approximately 5 miles Northeast of Artesia 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

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

9200'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3360' 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
12 1/4"	J-55 8 5/8"	24	1850'	950 Sx. circulate cement to surface
7 7/8"	N-80 & J-55 5 1/2"	17 & 15.5	9200'	600 Sx. estimate top cement 6000'

1. Drill 25" hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 12 1/4" hole to 1850'. Run and set 1850' of 8 5/8" J-55 24# ST&C casing. Cement with 950 Sx. of Class "C" cement, circulate cement to surface.
3. Drill 7 7/8" hole to 9200'. Run and set 9200' of 5 1/2" casing as follows: 1500' of 5 1/2" 17# N-80 LT&C, 2200' of 5 1/2" J-55 17# LT&C, 3100' of 5 1/2" J-55 15.5# LT&C, 2400' of 5 1/2" 17# J-55 LT&C casing. Cement with 350 Sx. of Halco Light, tail in with 250 Sx. of Class "H" Premium Plus cement + additives, estimate top of cement 6000'.

Post FD-1
11-6-98
APF & LCC

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 Art Janice 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:

Acting

Assistant Field Office Manager,
Lands and Minerals

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

TITLE

DATE

OCT 20 1998

*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 Ed., 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 75720	Pool Name CROW FLAT - MORROW
Property Code	Property Name Chama "8" Federal	Well Number 1
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3360'

Surface Location

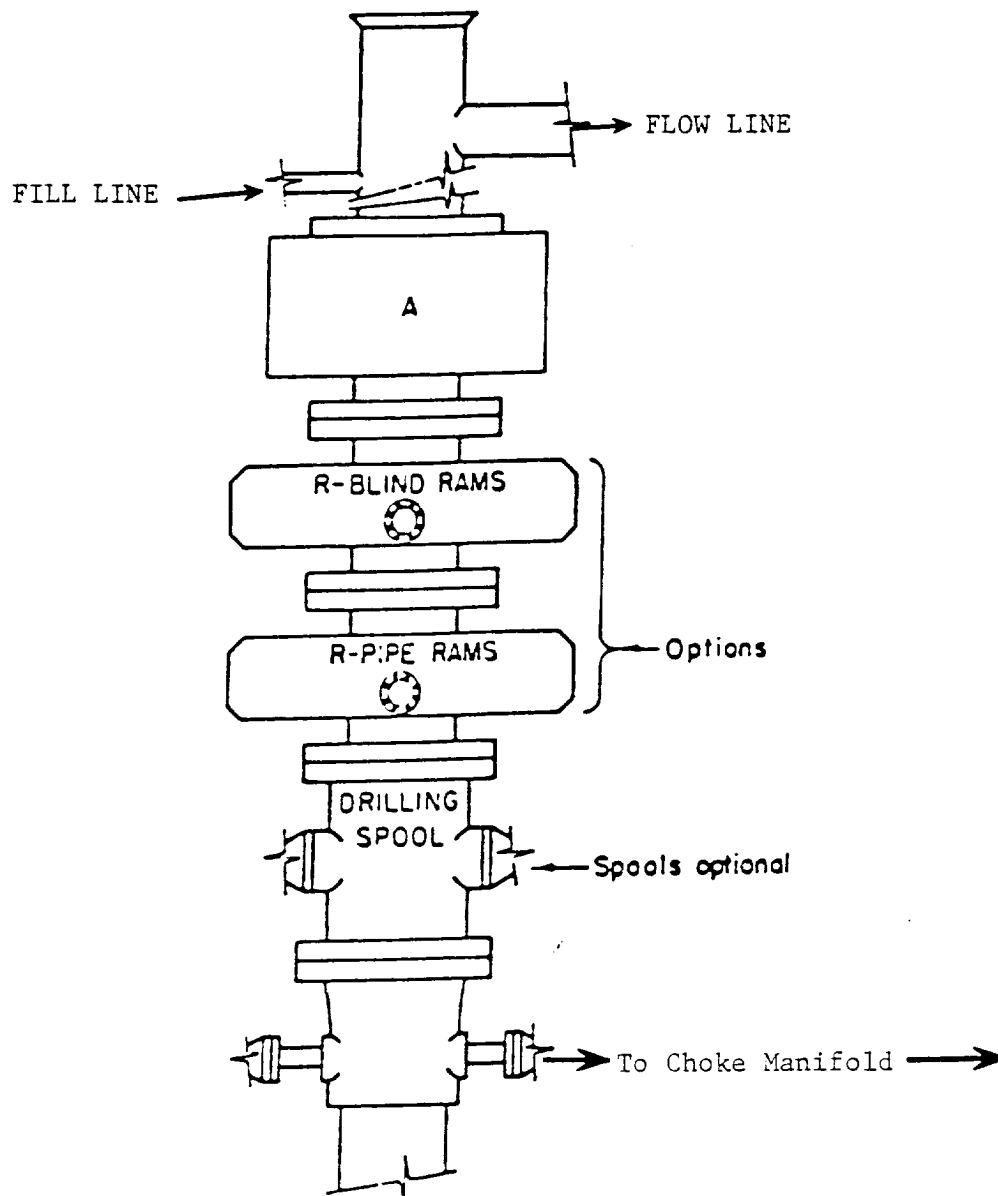
UL or lot No. B	Section 8	Township 17 S	Range 27 E	Lot Idn	Feet from the 660	North/South line North	Feet from the 1650	East/West line East	County Eddy
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Bottom Hole Location If Different From Surface

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 09/28/98 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. September 14, 1998 Date Surveyed Signature of Surveyor Professional Surveyor Certificate No. 7977 BASIN SURVEYS

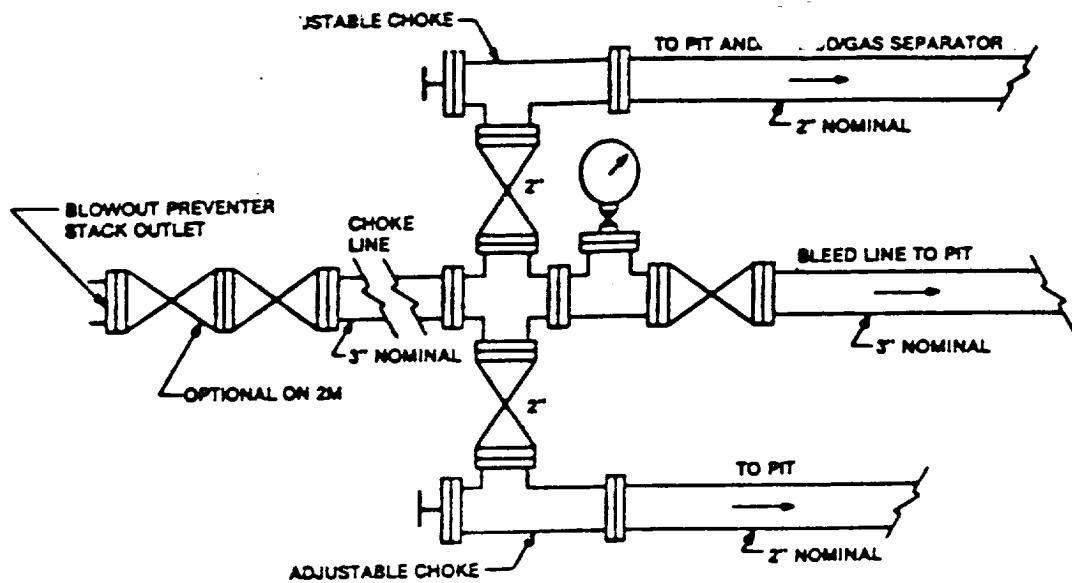


ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

PENWELL ENERGY, INC.
CHAMA "8" FEDERAL # 1
UNIT "B" SECTION 8
T17S-R27E EDDY CO. NM



Typical choke manifold assembly for 3M WP system

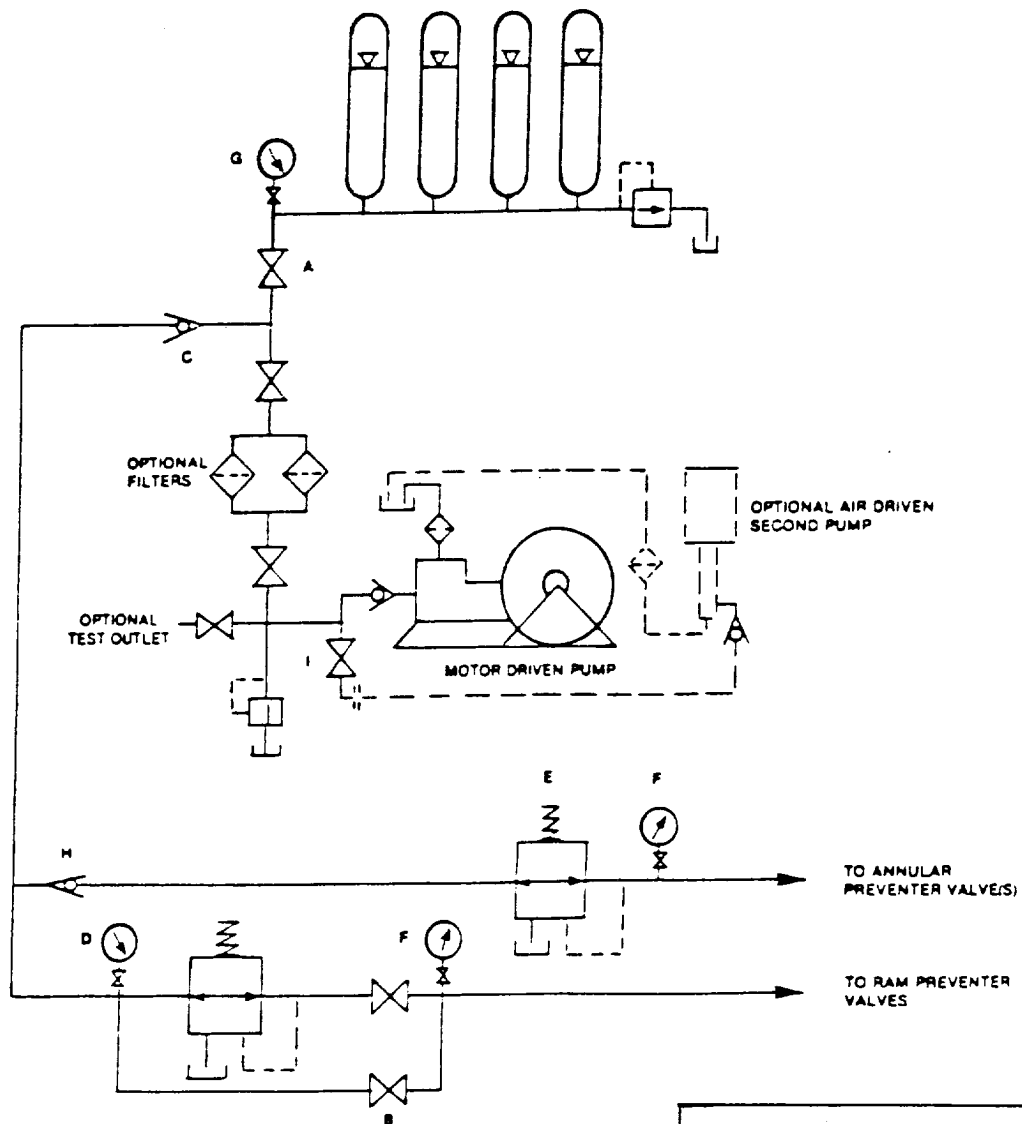


EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
CHAMA "8" FEDERAL # 1
UNIT "B" SECTION 8
T17S-R27E EDDY CO. NM