

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
N. M. Oil Cons. Division
811 S. 1ST ST.
ALBUQUERQUE, NM 87102-2534

SUBMIT IN TRIPLICATE

(Other instructions 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 ☒

2. NAME OF OPERATOR
PENWELL ENERGY, INC. (BILL PIERCS) 915-253-2534

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 1250' FSL & 1980' FEL SEC. 25 T23S-R25E EDDY CO. NM
At proposed prod. zone SAME
Unit Horseshoe Bend, NM

5. LEASE DESIGNATION AND SERIAL NO.
NM-99020

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
BUGER "25" FEDERAL # 1

9. AM WELL NO.
30-015-30524

10. FIELD AND POOL, OR WILDCAT
WILDCAT-MORROW 96860

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 25 T23S-R25E

12. COUNTY OR PARISH
EDDY CO.

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 20 miles Southwest of Carlsbad New Mexico

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
1250'

16. NO. OF ACRES IN LEASE
640

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
12,500'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3841' GR.

22. APPROX. DATE WORK WILL START*
WHEN APPROVED

SUBJECT TO
LIKE APPROVAL
BY STATE, N.C.

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	375'	500 Sx. circulate cement
12¼"	J-55 8 5/8"	24	1800'	1250 Sx. Circulate cement
7 7/8"	S-95, N-80 5½"	17	12,500'	600 Sx. estimate top cement 9000'

1. Drill 25 " hole to 40'. Set 40' of 20" conductor pipe and cement to surface with Redi-mix.
2. Drill 17½" hole to 375'. Run and set 375' of 13 3/8" H-40 48# ST&C casing. Cement with 500 Sx. of Class "C" cement + additives, circulate cement to surface.
3. Drill 12¼" hole to 1800'. Run and set 1800' of 8 5/8" 24# J-55 ST&C casing. Cement with 1250 Sx. of Class "C" cement + additives. If it deems necessary cement in 2 stages, in order to circulate cement to surface.
4. Drill 7 7/8" hole to 12,500'. Run and set 12,500' of 5½" casing as follows: 2700' of 5½" S-95 17# LT&C, 8600' of 5½" N-80 17# LT&C, 1200' of 5½" N-80 17# Buttress thread casing. Cement with 400 Sx. of Halco Light + additives, tail in with 200 Sx. of Premium Plus Class "H" cement + additives, estimate cement top 9000'

NSL

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS

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 Joe T. Jancera TITLE Agent DATE 09/10/98

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE 12-18-98

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 Earle Smith TITLE Acting Assistant Field Office Manager, Lands and Minerals DATE DEC 03 1998

*See Instructions On Reverse Side

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

DISTRICT III
1000 Rio Brazos Rd., Aztec, NM 87410

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name WILDCAT-MORROW
Property Code	Property Name RUGER "25" FEDERAL	Well Number 1
OGRID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3841'

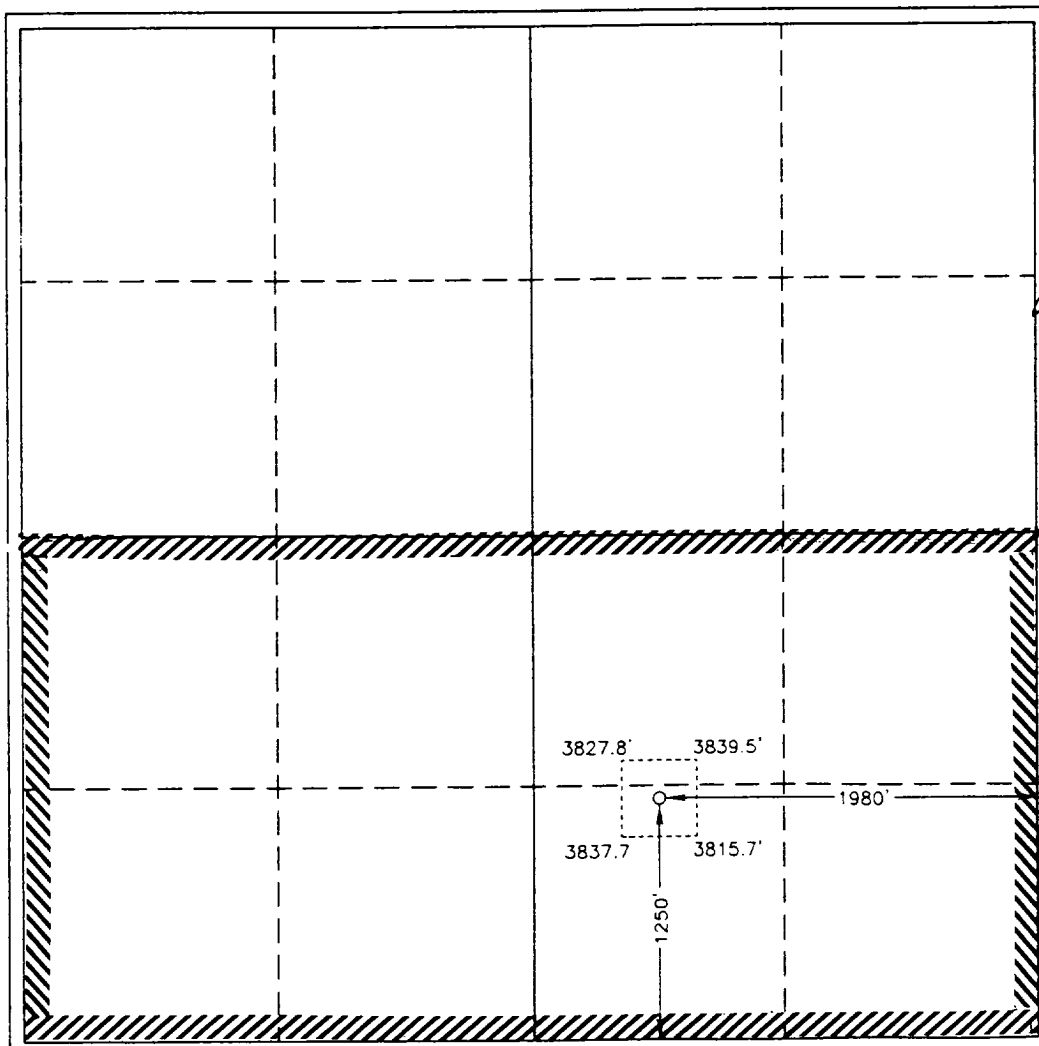
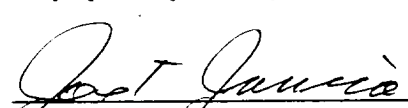
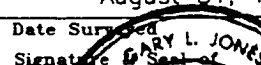
Surface Location

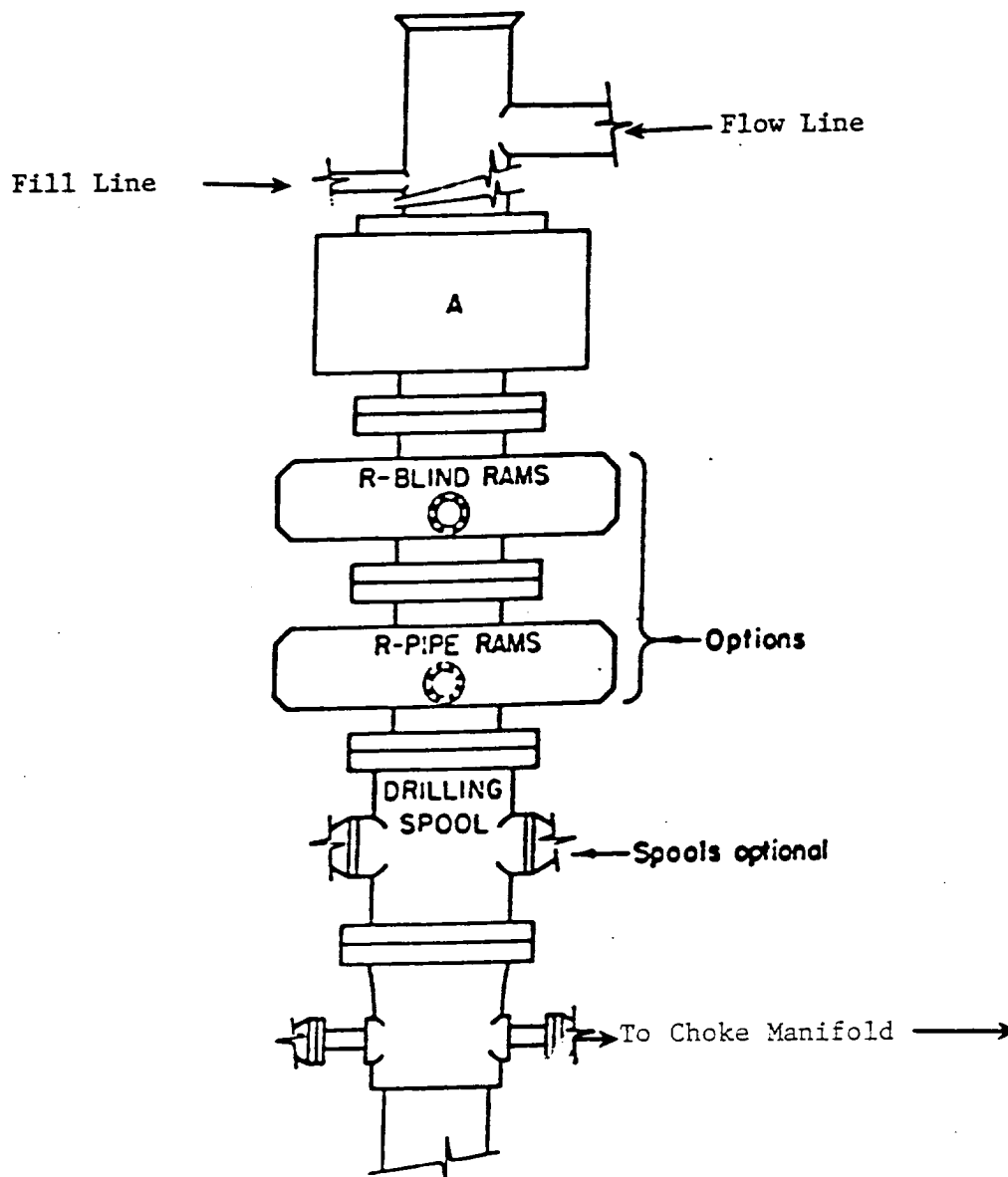
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
0	25	23 S	25 E		1250	SOUTH	1980	EAST	EDDY

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 09/10/98 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. August 31, 1998 Date Surveyed Signature  Professional Surveyor NEW MEXICO W.D. No. 8379 Certificate No. 7977 BASIN SURVEYS



ARRANGEMENT SRRA

1500 Series
5000# Working Pressure

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

PENWELL ENERGY, INC.
RUGER "25" FEDERAL # 1
UNIT "O" SECTION 25
T23S-R25E EDDY CO. NM

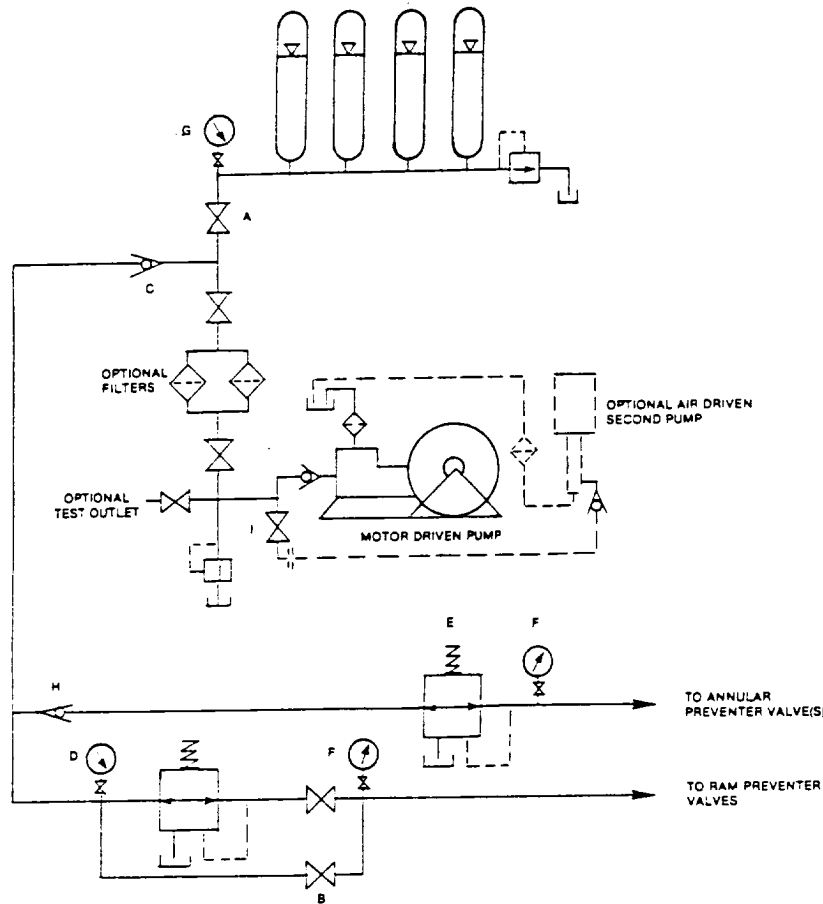


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

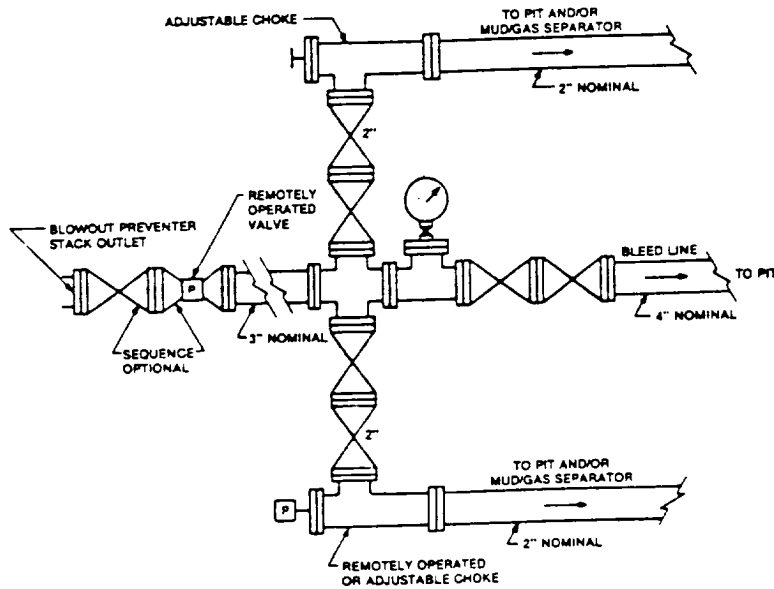


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
RUGER "25" FEDERAL # 1
UNIT "O" SECTION 25
T23S-R25E EDDY CO. NM