

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

ARTESIA (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 ☐

2. NAME OF OPERATOR
PENWELL ENERGY, INC. (BILL PIERCS) 915-83-2500

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. 13 T16S-R27E EDDY CO. NM
At proposed prod. zone SAME Unit B

5. LEASE DESIGNATION AND SERIAL NO.
NM-99027

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.
CARBON VALLEY "13" FED. # 1

9. AP WELL NO.
30-015-30528

10. FIELD AND POOL, OR WILDCAT
DIAMOND MOUND-MORROW

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 13 T16S-R27E

12. COUNTY OR PARISH
EDDY CO.

13. STATE
NM

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
Approximately 10 miles East of Lake Arthur 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
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
8800'

20. ROTARY OR CABLE TOOLS
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3626' GR.

22. APPROX. DATE WORK WILL START*
WHEN APPROVED

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
17½"	H-40 13 3/8"	48	375'	400 Sx. circulate to surface
12½"	J-55 8 5/8"	24	1800'	1000 Sx. circulate to surface
7 7/8"	J-55-N-80 5½"	17	8800'	1300 Sx. use Stage tool circulate

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" 48# H-40 ST&C casing. Cement with 400 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12½" hole to 1800'. Run and set 1800' of 8 5/8" 24# J-55 ST&C casing. Cement with 1000 Sx. of Class "C" cement + additives, circulate cement to surface.
4. Drill 7 7/8" hole to 8800'. Run and set 8800' of 5½" casing as follows: 1500' of 5½" 17# N-80 LT&C, 5800' of 5½" 17# J-55 LT&C, 1500' of 5½" 17# N-80 LT&C casing. Cement in 2 stages. 1st stage 800 Sx. of Class "H" Premium Plus + additives, 2nd stage 500 Sx. of Class "C" cement + additives, circulate cement to surface.

Post ID-1
12-18-98
API & Loc

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 Joel T. Janice TITLE Agent DATE 09/16/98
(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 JOEL T. JANICE TITLE Acting Assistant Field Office Manager, Lands and Minerals DATE 12/7/98

*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 76097	Pool Name DIAMOND MOUND-MORROW
Property Code	Property Name CARBON VALLEY "13" FEDERAL	Well Number 1
OGRID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3626'

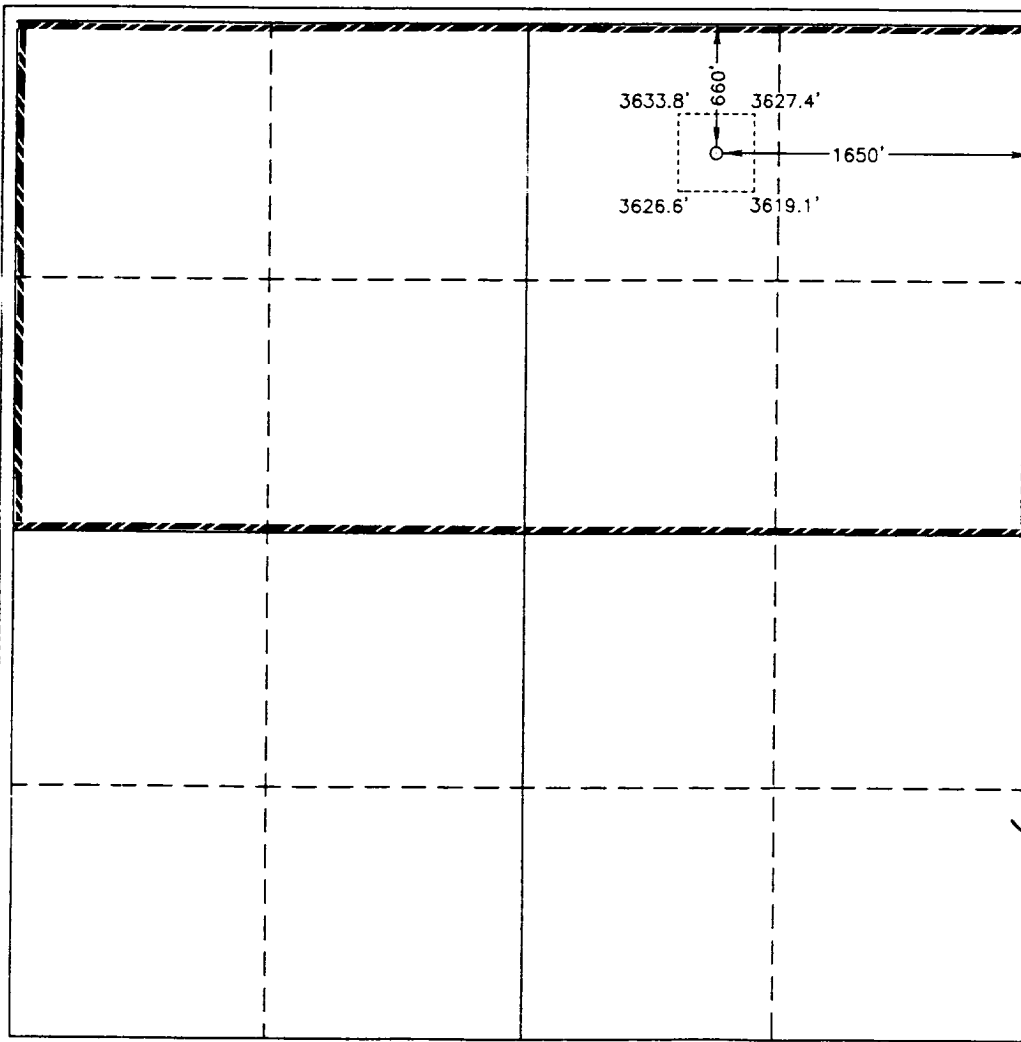
Surface Location

UL or lot No. B	Section 13	Township 16 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.

Joe T. Jaxica
Signature

Joe T. Jaxica
Printed Name

Agent
Title

09/16/98
Date

SURVEYOR CERTIFICATION

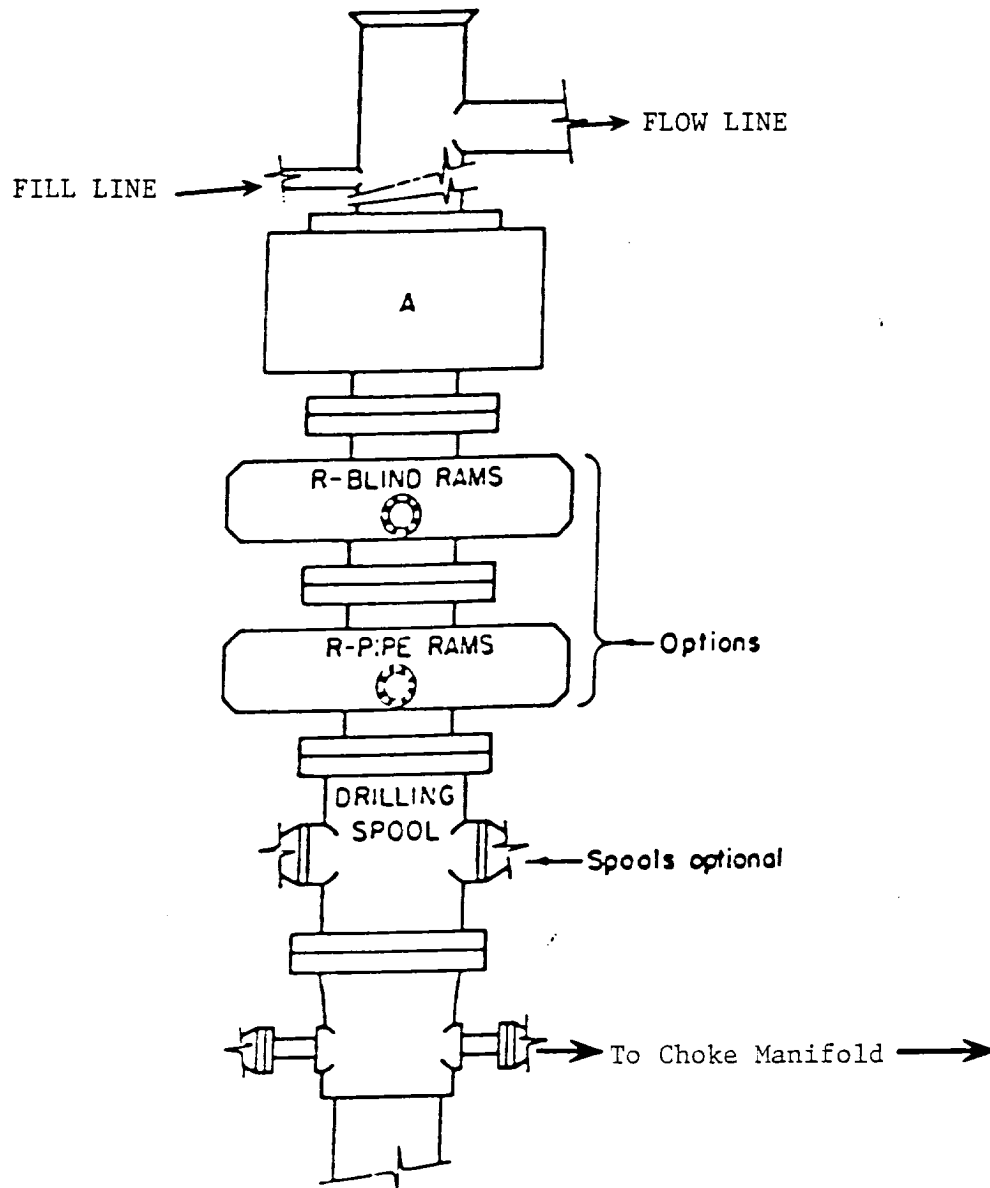
I hereby certify that the well location shown
on this plat was plotted from field notes of
actual surveys made by me or under my
supervision and that the same is true and
correct to the best of my belief.

August 27, 1998

Date Surveyed

Signature & Seal of
Professional Surveyor

GARY L. JONES
NEW MEXICO
7977
O. No. 8380
Certified Professional Land Surveyor
BASIN SURVEYS



ARRANGEMENT SRRA

900 Series
3000 PSI WP

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

PENWELL ENERGY, INC.
CARBON VALLEY "13" FEDERAL # 1
UNIT "B" SECTION 13
T16S-R27E EDDY CO. MM

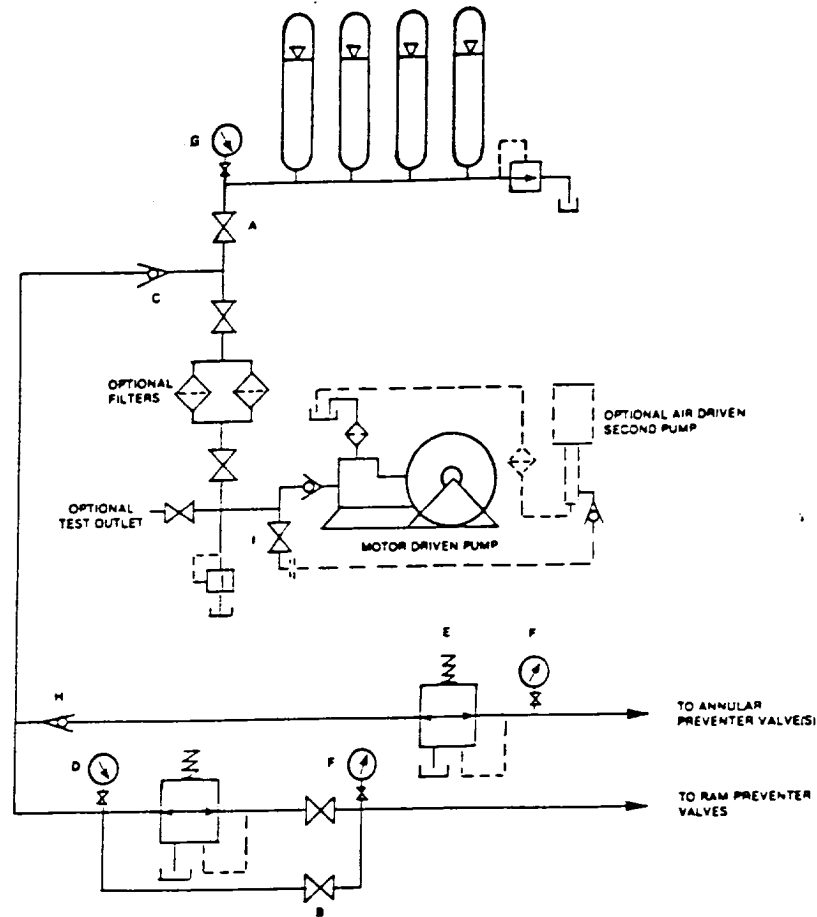


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

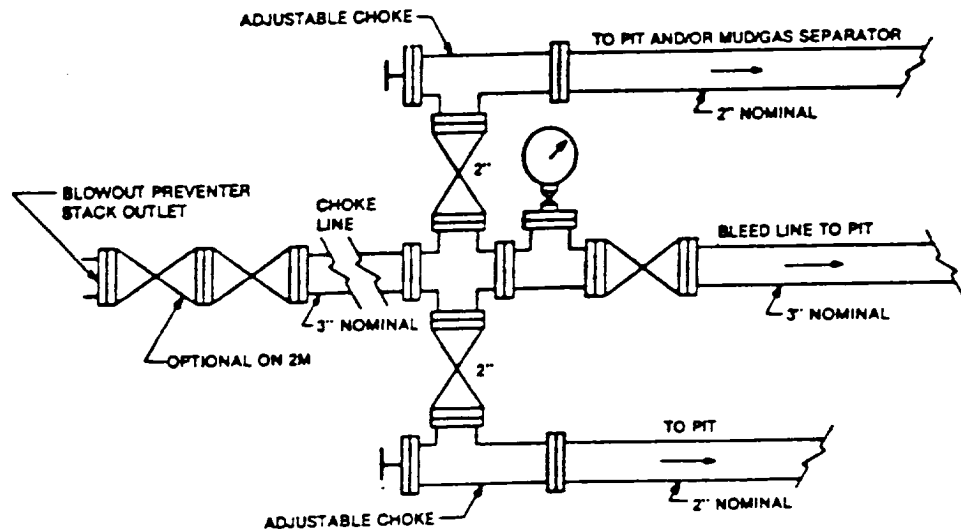


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
CARBON VALLEY "13" FEDERAL # 1
UNIT "B" SECTION 13
T16S-R27E EDDY CO. NM