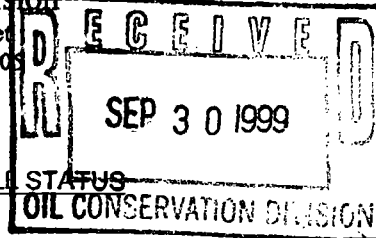


District I - (505) 393-6161
1625 N. French Dr
Hobbs, NM 88241-1980
District II - (505) 748-1283
811 S. First
Artesia, NM 88210
District III - (505) 334-6178
1000 Rio Brazos Road
Aztec, NM 87410
District IV - (505) 827-7131

New Mexico
Energy Minerals and Natural Resources Department
Oil Conservation Division
2040 South Pacheco Street
Santa Fe, New Mexico 87505
(505) 827-7131

Form C-142
Date 06/99

SUBMIT ORIGINAL
PLUS 2 COPIES
TO THE SANTA FE
OFFICE



APPLICATION FOR NEW WELL STATUS

I. Operator and Well

Operator name & address Penwell Energy, Inc. 600 N. Marienfeld, Suite 1100 Midland, Texas 79701						OGRID Number 147380	
Contact Party Jim Markgraf						Phone (915) 683-2534	
Property Name Penistaja Federal "23"				Well Number 1		API Number 30-043-20947	
UL H	Section 23	Township 20N	Range 4W	Feet From The 1,413'	North/South Line North	Feet From The 483'	East/West Line East
							County Sandoval

II. Date/Time Information

Spud Date 5-23-99	Spud Time	Date Completed 7-14-99	Pool Wildcat Entrada
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III. Attach copies of Form C-103 or Federal Form 3160-5 showing date/time of drilling commenced and Form C-105 or Federal Form 3160-4 showing well was completed as a producer.

IV. Attach a list of all working interest owners with their percentage interests.

V. AFFIDAVIT:

State of Texas)
County of Midland)
ss.
Jim Markgraf being first duly sworn, upon oath states:

- I am the Operator, or authorized representative of the Operator, of the above-referenced well.
- To the best of my knowledge, this application is complete and correct.

Signature [Signature] Title Treasurer Date 9-29-99

SUBSCRIBED AND SWORN TO before me this 29th day of September, 1999

Cathy M. Livingston
Notary Public, State of Texas
My Commission Expires 01-08-2000

Cathy M. Livingston
Notary Public

FOR OIL CONSERVATION DIVISION USE ONLY:

VI. CERTIFICATION OF APPROVAL:

This Application is hereby approved and the above-referenced well is designated a New Well. By copy hereof, the Division notifies the Secretary of the Taxation and Revenue Department of this Approval.

Signature <u>[Signature]</u>	Title <u>P.E. Spec.</u>	Date <u>OCT 1 1999</u>
---------------------------------	----------------------------	---------------------------

VII. DATE OF NOTIFICATION TO THE SECRETARY OF THE TAXATION AND REVENUE DEPARTMENT: OCT 4 1999

NOTICE: The operator must notify all working interest owners of this New Well certification.

PV2V2006931448

PROPERTY	PROPERTY NAME	DECK	EFFECTIVE DATE	OWNER	OWNER NAME	D.D.I.	PREPAYMENT	COST	AFIL
							LEASE WELL	CTR.	CODE
010201-01	PENISTAJA FEDERAL 23 #1	1	**BASE**	0001245	ATEC SAN JUAN LLC	0.05000000	010201-01	0	N
Deck Header for 010201-01-1									
					ADVANCED TECH EXPLORATION CORP				
					11547 RIVERVIEW WAY				
					HOUSTON TX 77077	Tax-id No: INC.			
				0010150	BOISD'ARC RESOURCES LTD.	0.26000000	010201-01	0	N
					C/O LAUFER & ASSOCIATES				
					3330 MONTE VILLA PARKWAY				
					BATHELL WA 98021	Tax-id No: 76-0560379			
				0029183	FRANCO SERVICES, INC.	0.01000000	010201-01	0	N
					P.O. BOX 162810				
					AUSTIN TX 78716-2810	Tax-id No: INC			
				0056995	MIDFORD INC.	0.07500000	010201-01	0	N
					2009 WINFIELD				
					MIDLAND TX 79705	Tax-id No: INC			
				0060428	CHARLES O. NEWELL	0.00500000	010201-01	0	N
					COUNTRY CLUB VILLAS				
					1769 TURNBERRY TERRACE				
					ORLANDO FL 32804	Tax-id No: 298-26-2487			
				0060429	CHARLES O. NEWELL, JR.	0.01000000	010201-01	0	N
					3300 BEE CAVES ROAD				
					SUITE 650-122				
					AUSTIN TX 78746	Tax-id No: 269-50-8980			
				0060999	NINE-IRON OIL & GAS LTD.	0.01000000	010201-01	0	N
					P.O. BOX 162810				
					AUSTIN TX 78716-2810	Tax-id No: 74-2616749			
				0068820	ART PASMAS	0.03000000	010201-01	0	N
					5858 WESTHEIMER SUITE 400				
					HOUSTON TX 77057				
				0070023	PETRO-GUARD CO., INC.	0.02000000	010201-01	0	N
					5858 WESTHEIMER, SUITE 400				
					HOUSTON TX 77057	Tax-id No: INC			
				0071961	PROBE RESOURCES, INC.	0.04500000	010201-01	0	N
					4250 NATIONBANK CENTER				
					700 LOUISIANA STREET				
					ATTN: MR. STEVE HUGHEY				
					HOUSTON TX 77002	Tax-id No: INC			
				0075300	DWIGHT ROUNDS	0.00500000	010201-01	0	N
					4311 DUNNING LANE				
					AUSTIN TX 78746	Tax-id No: 514-46-7838			

PROPERTY	PROPERTY NAME	DECK	EFFECTIVE		OWNER	OWNER NAME	D.D.I.	PREPAYMENT	COST	AFIL
			DATE					LEASE WELL	CTR.	CODE
010201-01	PENISTAJA FEDERAL 23 #1	1	**BASE**		0077024	SAN JUAN EXPLORATION PARTNERS, L.P. P.O. BOX 164254 AUSTIN TX 78716-4254	0.01500000	010201-01	0	N
					0077384	SIAN PROPERTIES 3406 GLENVIEW SUITE 200 AUSTIN TX 78703	0.01000000	010201-01	0	N
					0077970	SEEL DEVELOPMENT CO. LLC P.O. BOX 164254 AUSTIN TX 78716-4254	0.02000000	010201-01	0	N
					0081185	KERRY W. STEIN 13105 NW FREEWAY SUITE 530 HOUSTON TX 77040	0.00500000	010201-01	0	N
					0094018	WIESENFELD FAMILY L.P. 3102 SHELL AVENUE MIDLAND TX 79705	0.07500000	010201-01	0	N
					0095630	WRS INTERESTS, INC. 5110 SAN FELIPE SUITE 264W HOUSTON TX 77056	0.01000000	010201-01	0	N
					9999801	PENWELL ENERGY, INC. FOR INNER COMPANY BILLINGS 600 N. MARIENFELD SUITE 1100 MIDLAND TX 79701	0.34500000	010201-01	0	Y
					*** DECK TOTAL	18 OWNERS	1.00000000			

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.

5. Lease Designation and Serial No.

NM 100800

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

☒ Oil Well ☐ Gas Well ☐ Other

2. Name of Operator

Penwell Energy, Inc.

3. Address and Telephone No.

600 N. Marienfeld, Ste. 1100; Midland, TX. 79701 915 683-2534

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1,413' FNL & 483' FEL
Sec. 23 - T20N - R4W
Unit Letter "H"

8. Well Name and No.

Penistaja Federal "23"

9. API Well No.

30-043-20947

10. Field and Pool, or Exploratory Area

Wildcat Entrada

11. County or Parish, State

Sandoval, NM

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☐ Notice of Intent

☒ Subsequent Report

☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment

☐ Recompletion

☐ Plugging Back

☐ Casing Repair

☐ Altering Casing

☒ Other Run 5 1/2" Prod. Csg. & CBL.

☐ Change of Plans

☐ New Construction

☐ Non-Routine Fracturing

☐ Water Shut-Off

☐ Conversion to Injection

☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

6-14-99: Ran 150 jts. of 5 1/2", 17#, J-55, 8rd, LTC, new API casing to a total depth of 6,350' K.B. Ran a Halliburton multiple stage cementer @ a depth of 3,806' K.B. Halliburton cemented the first stage w/472 sacks of Modified Super "H" cement mixed @ 13.0 ppg, mixing water 8.40 gals./sack, yield of 1.70 cu.ft./sack. Opened D.V. tool and circulated 10 sacks of cement to the surface. Circulated 4 hours through D.V. tool. Halliburton cemented the second stage w/578 sacks of Class "B" Halliburton Lite cement containing 5#/sack gilsonite + 1/4#/sack flocele mixed @ 12.4 ppg, mixing water of 10.22 gals./sack, yield of 1.94 cu.ft./sack. followed by 100 sacks of Class "B" Neet containing 2% calcium chloride mixed @ 15.6 ppg, mixing water 5.20 gals./sack, yield of 1.19 cu.ft./sack.

7-1-99: Ran Cement Bond Log and found TOC behind 5 1/2" production casing @ 120' from surfa.

14. I hereby certify that the foregoing is true and correct

Signed

Bill Kim

Title

Manager of Operations

Date 7/15/99

(This space for Federal or State office use)

Approved by

Patricia M. Heber

Title

Lands and Mineral Resources

Date

8-18-99

Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

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SUBMIT IN TRIPLICATE

1. Type of Well
☒ Oil Well ☐ Gas Well ☐ Other

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Penwell Energy, Inc.

3. Address and Telephone No.
600 N. Marienfeld, Ste. 1100; Midland, TX. 79701 915 683-2534

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,413' FNL & 483' FEL
Sec. 23 - T20N - R4W

5. Lease Designation and Serial No.
NM 100800

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Penistaja Federal "23"

9. API Well No.
30-043-20947-

10. Field and Pool, or Exploratory Area
Wildcat Entrada

11. County or Parish, State
Sandoval, NM

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
☐ Notice of Intent	☐ Abandonment
☒ Subsequent Report	☐ Recompletion
☐ Final Abandonment Notice	☐ Plugging Back
	☐ Casing Repair
	☐ Altering Casing
	☒ Other Spud & surface casing
	☐ Change of Plans
	☐ New Construction
	☐ Non-Routine Fracturing
	☐ Water Shut-Off
	☐ Conversion to Injection
	☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

5-23-99: MIRU Bearkat Drilling Co. Rig #2. Spudded 12 1/4" surface hole @ 10:30 PM, MST 5-23-99.

5-24-99: Ran 8 jts. of 8 5/8", 28#, J-55, 8rd, LTC, New API casing and set @ 315' K.B. Halliburton cemented w/200 sacks of Class "B" Neet cement containing 1/4#/sack flocele + 2% calcium chloride mixed @ 15.6 ppg, mixing water 5.20 gals./sack, yield of 1.19 cu.ft./sack. Circulated 60 sacks of cement to surface.

14. I hereby certify that the foregoing is true and correct

Signed

Bill Fin

Title

Manager of Operations

Date 7/15/99

(This space for Federal or State office use)

Lands and Mineral Resources

Approved by

Patricia M. H. K.

Title

AUG 18 1999

Conditions of approval, if any:

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*See Instruction on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

FOR APPROVED
OMB NO. 1004-0137
Expires: December 31, 1991

5. LEASE DESIGNATION AND SERIAL NO.

NM 100800

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME, WELL NO.

Penistaja Federal "23" #1

9. API WELL NO.

30-043-20947

10. FIELD AND POOL, OR WILDCAT

Wildcat Entrada

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

23-T20N-R4W

12. COUNTY OR PARISH

Sandoval

13. STATE

NM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER ☒ 99 JUL 26 AM 8:00

b. TYPE OF COMPLETION:

NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. REVR. ☐ Other ALBUQUERQUE, N.M.

2. NAME OF OPERATOR

Penwell Energy, Inc.

3. ADDRESS AND TELEPHONE NO.

600 N. Marienfeld, Ste. 1100, Midland, TX. 79701 915 683-2534

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface 1,413' FNL & 483' FEL

At top prod. interval reported below

Same

At total depth

Same

14. PERMIT NO.

DATE ISSUED

15. DATE SPUDDED 5-23-99 16. DATE T.D. REACHED 6-12-99 17. DATE COMPL. (Ready to prod.) 7-14-99 18. ELEVATIONS (DP, RKB, RT, OR, ETC.)* 6,909' GR 19. ELEV. CASINGHEAD 6,909'

20. TOTAL DEPTH, MD & TVD 6,350' 21. PLUG, BACK T.D., MD & TVD 6,304' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY ROTARY TOOLS All CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

Entrada 5,998' - 6,004'

25. WAS DIRECTIONAL SURVEY MADE

Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN

Neutron Density and Dual Induction

27. WAS WELL CORRED

NO

28. CASING RECORD (Report all strings set in well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8 5/8" J-55	28	315'	12 1/4"	Surface - 200 sacks	
5 1/2" J-55	17	6,350'	7 7/8"	120' - 1,150 sacks	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 7/8"	6,020'	

31. PERFORATION RECORD (Interval, size and number)

Entrada 5,998' - 6,004'
4 jet shots per foot
.38" diameter hole

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)	
7-10-99		Pumping 2 1/2" X 2" X 16' RWBC pump				Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
7-17-99	24	NA	→	112	0	174	NA
FLOW, TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
NA	10#	→	112	NO	174	35.6	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

No gas produced

TEST WITNESSED BY

Richard Bookout

35. LIST OF ATTACHMENTS

Inclination report, logs, and letter of confidentiality

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

Bill Pierce

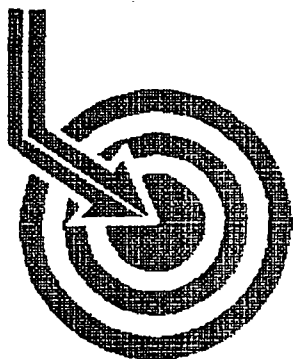
TITLE

Manager of Operations

DATE

7/23/99

*(See Instructions and Spaces for Additional Data on Reverse Side)



Scientific Drilling

PENWELL ENERGY

Field: Entrada Wildcat

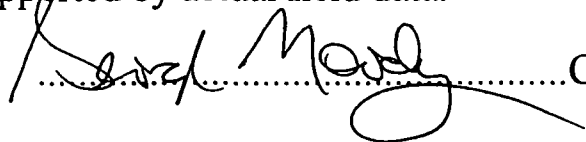
Site: Sandoval County, NM

Well: Penistaja Federal 23 #1

Wellpath: OH - Job #41F0699042

Survey: Penistaja Federal 23 #1

This survey is correct to the best of my knowledge
and is supported by actual field data.



.....Company Representative

SCIENTIFIC DRILLING SURVEY REPORT

Company: PENWELL ENERGY	Date: 7/6/1999	Time: 10:18:06	Page: 1
Field: Entrada Wildcat	Co-ordinate(NE) Reference:	Site: Sandoval County, NM, True North	
Site: Sandoval County, NM	Vertical (TVD) Reference:	SITE 0.0 above Mean Sea Level	
Well: Penistaja Federal 23 #1	Section (VS) Reference:	Slot (0.0E,0.0N,0.0Az)	
Wellpath: OH - Job #41F0699042	Survey Calculation Method:	Minimum Curvature	

Survey: Penistaja Federal 23 #1

Start Date: 7/6/1999

Company: Casper S.D.I.
Tool: Keeper

Engineer: John Backner

Survey

MD ft	Incl deg	Azim deg	TVD ft	N/S ft	E/W ft	VS ft	DLS d/100ft	ClsA deg	ClsD ft
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.0
200.0	0.28	272.01	200.0	0.0	-0.5	0.0	0.14	272.01	0.5
400.0	0.52	345.21	400.0	0.9	-1.2	0.9	0.26	307.03	1.5
600.0	0.25	35.66	600.0	2.1	-1.2	2.1	0.20	331.05	2.4
800.0	0.33	106.79	800.0	2.3	-0.4	2.3	0.17	350.74	2.4
1000.0	0.46	100.48	1000.0	2.0	1.0	2.0	0.07	25.44	2.2
1200.0	0.26	122.33	1200.0	1.6	2.1	1.6	0.12	52.61	2.7
1400.0	0.38	148.82	1400.0	0.8	2.9	0.8	0.09	73.99	3.0
1600.0	0.47	119.34	1600.0	-0.1	3.9	-0.1	0.12	92.17	3.9
1800.0	0.59	132.31	1800.0	-1.2	5.4	-1.2	0.08	102.98	5.5
2000.0	0.43	136.59	2000.0	-2.5	6.7	-2.5	0.08	110.40	7.1
2200.0	0.82	170.31	2199.9	-4.4	7.4	-4.4	0.26	120.85	8.7
2400.0	0.96	181.47	2399.9	-7.5	7.6	-7.5	0.11	134.61	10.7
2600.0	0.97	167.78	2599.9	-10.9	7.9	-10.9	0.12	143.80	13.4
2800.0	0.94	168.07	2799.9	-14.1	8.6	-14.1	0.02	148.52	16.5
3000.0	0.82	169.99	2999.8	-17.1	9.2	-17.1	0.06	151.68	19.5
3200.0	0.54	173.88	3199.8	-19.5	9.6	-19.5	0.14	153.81	21.7
3400.0	0.66	190.74	3399.8	-21.5	9.5	-21.5	0.11	156.29	23.5
3600.0	0.67	194.21	3599.8	-23.8	9.0	-23.8	0.02	159.37	25.4
3800.0	0.61	217.34	3799.8	-25.8	8.0	-25.8	0.13	162.71	27.0
4000.0	0.70	214.61	3999.8	-27.6	6.7	-27.6	0.05	166.39	28.4
4200.0	0.41	217.00	4199.8	-29.2	5.6	-29.2	0.14	169.21	29.7
4400.0	0.25	196.53	4399.8	-30.2	5.0	-30.2	0.10	170.57	30.6
4600.0	0.31	257.80	4599.8	-30.7	4.4	-30.7	0.14	171.92	31.0
4800.0	1.22	331.48	4799.7	-29.0	2.8	-29.0	0.59	174.45	29.1
5000.0	1.26	317.98	4999.7	-25.5	0.3	-25.5	0.15	179.27	25.5
5200.0	0.35	339.17	5199.7	-23.3	-1.4	-23.3	0.47	183.35	23.3
5400.0	0.16	55.70	5399.7	-22.5	-1.3	-22.5	0.17	183.43	22.6
5600.0	0.53	220.84	5599.7	-23.1	-1.7	-23.1	0.34	184.27	23.1
5800.0	0.80	173.46	5799.7	-25.2	-2.2	-25.2	0.29	184.93	25.3
6000.0	0.99	147.83	5999.6	-28.0	-1.1	-28.0	0.22	182.23	28.0
6200.0	1.16	107.15	6199.6	-30.1	1.8	-30.1	0.38	176.64	30.1
6285.0	1.30	111.19	6284.6	-30.7	3.5	-30.7	0.19	173.52	30.9



Scientific
Drilling

PENWELL ENERGY

Field: Entrada Wildcat

Site: Sandoval County, NM

Well: Penistaja Federal 23 #1

Wellpath: OH - Job #41F0699042

Survey: Penistaja Federal 23 #1

