

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. UNIT AGREEMENT NAME <div style="text-align: right; font-size: 1.2em;">23375</div>		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		8. FARM OR LEASE NAME, WELL NO. <div style="text-align: right; font-size: 1.2em;">31-015-30272</div>		
2. NAME OF OPERATOR <div style="font-size: 1.2em;">147380</div> PENWELL ENERGY, INC. (BILL PIERCS) 915-683-2534		9. API WELL NO. <div style="text-align: right; font-size: 1.2em;">73960</div>		
3. ADDRESS AND TELEPHONE NO. 600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701		10. FIELD AND POOL, OR WILDCAT CARLSBAD-MORROW SOUTH		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface: 1980' FNL & 660' FEL SEC. 13 T22S-R27E NEW MEXICO At proposed prod. zone: SAME <div style="margin-left: 20px;">Ut. H</div>		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SEC. 13 T22S-R27E		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* Approximately 6 miles Southeast of Carlsbad New Mexico		12. COUNTY OR PARISH 13. STATE EDDY CO. NM		
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. 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 12,300'	20. ROTARY OR CABLE TOOLS ROTARY		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 3093' 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
17½"	H-40 13 3/8"	48	400'	425 Sx. circulate to surface
12¼"	N-80 9 5/8"	43.5	5850'	1650 Sx. circulate to surface
8 3/4"	S-95, N-80 5½"	17	5600'-12300'	1300 Sx.

1. Drill 25" hole to 40;. set 40' of 20" conductor and cement to surface with Redi-mix.
2. Drill 17½" hole to 400' Run and set 400' of 13 3/8" 48# H-40 ST&C casing. cement with 450 Sx. of Class "C" cement + 2% CaCl, circulate cement to surface.
3. Drill 12¼" hole to 5850'. Run and set 5850' of 9 5/8" 43.5# N-80 ST&C casing. Cement with 1250 Sx. of Lite-Weight cement + additives, tail in with 400 Sx. of Class "H" cement + additives, circulate cement to surface-
4. Drill 8 3/4" hole to 12,300'. Run and set 5½" production liner from 12,300' back to 5600'. Run 2400' of 5½" 17# S-95 LT&C and 4300' of 17# N-80 LT&C casing. Cement with 1000 Sx. of Lite-Weight cement + additives, tail in with 300 Sx. of 50/50 premium Class "H" + additives.

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 Cost Garcia TITLE Agent DATE 04/28/98
(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 lense which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL IF ANY:

APPROVED BY LEWIS J. ... TITLE Asst. Dir. MINERALS DATE 5-20-91

***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
1060 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 73960	Pool Name CARLSBAD MORROW-SOUTH
Property Code	Property Name INDIAN DRAW "13"	Well Number 2
OGRID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3093'

Surface Location

UL or lot No. H	Section 13	Township 22 S	Range 27 E	Lot Idn	Feet from the 1980	North/South line NORTH	Feet from the 660	East/West line EAST	County EDDY
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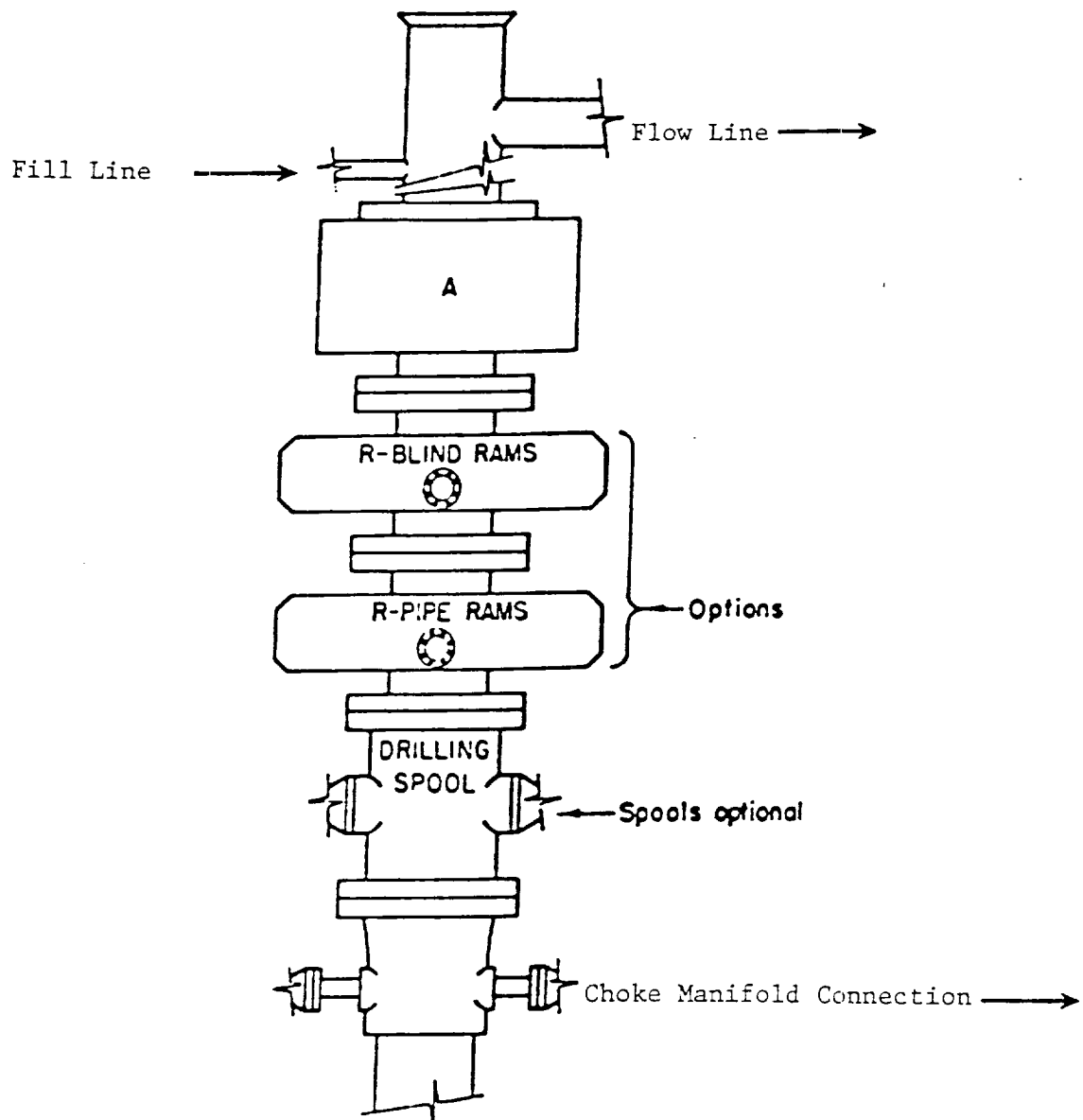
Bottom Hole Location If Different From Surface

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>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</i> Signature Joe T. Janica Printed Name Agent Title 04/28/98 Date
	SURVEYOR CERTIFICATION <i>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.</i> APRIL 06, 1998 Date Surveyed Signature of Gary L. Jones Professional Surveyor Professional Seal of Gary L. Jones Professional Surveyor NEW MEXICO 1977 F.M.C. No. 8179A Certificate No. Gary L. Jones 7977 BASIC SURVEYOR

EXHIBIT "A"



ARRANGEMENT SRRA

1500 Series
5000 PSI WP

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
INDIAN DRAW "13" FEDERAL # 2
UNIT "H" SECTION 13
T22S-R27E EDDY CO. NM

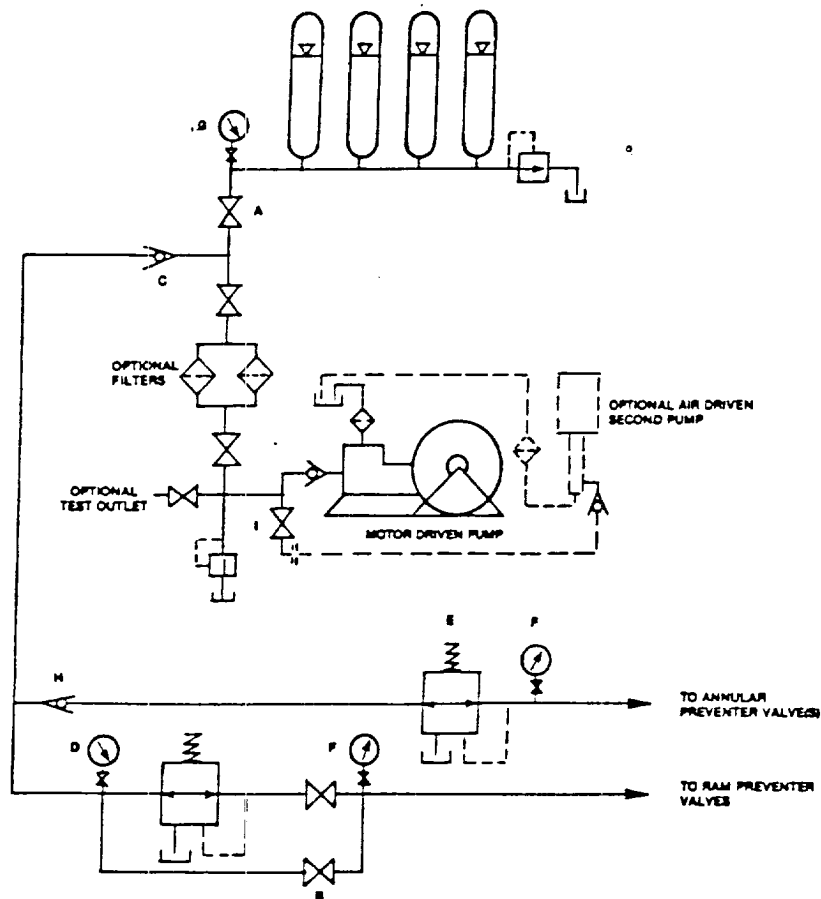


FIGURE K6-1. The schematic sketch of an accumulator system shows required and optional components.

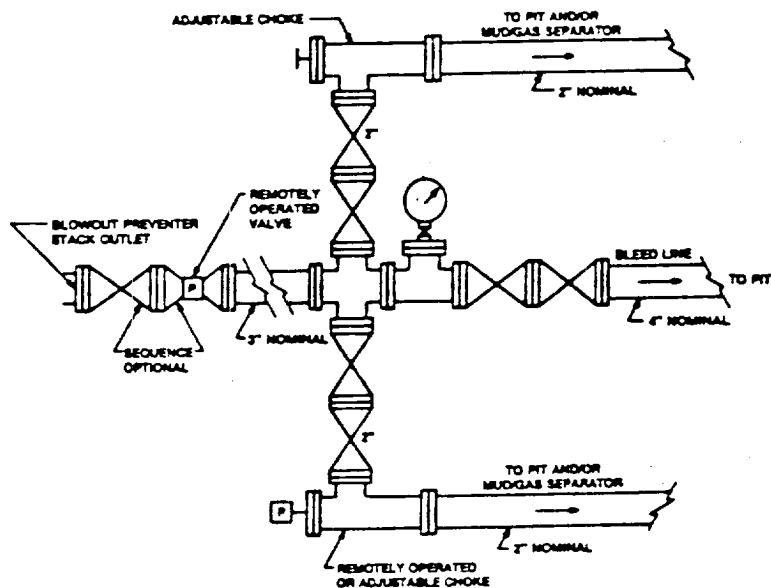


FIGURE K4-2. Typical choke manifold assembly for 5M rated working pressure service - surface installation.

EXHIBIT "E-1"
CHOKE MANIFOLD & CLOSING UNIT

PENWELL ENERGY, INC.
INDIAN DRAW "13" FEDERAL # 2
UNIT "H" SECTION 13
T22S-R27E EDDY CO. NM