

OPER. OGRID NO. 147380PROPERTY NO. 18972APPLICATE*
ctions on
ide)FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995UNIT
DEPARTMENT
BUREAU OFPOOL CODE 13320EFF. DATE 7/10/96API NO. 30-025-33508

APPLICATION FOR

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.

3. ADDRESS AND TELEPHONE NO.

(915) 683-2534
600 N. Marienfeld, Ste. 1100, Midland, Texas 79701

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

At surface

2173' FSL & 660' FWL

At proposed prod. zone

Unit L

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

32 miles West from Hobbs, New Mexico

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

520

17. NO. OF ACRES ASSIGNED
TO THIS WELL

40 84.69

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

2440' FSL

19. PROPOSED DEPTH

11,350

20. ROTARY OR CABLE TOOLS

Rotary

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

3797' GR

22. APPROX. DATE WORK WILL START*

June 10, 1996

23.

PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | GRADE SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------------|-----------------|---------------|-------------------------------|
| 17 1/2" | 13 3/8" | 48# | 450' | 350 sx Cl. "C" cmt + additive |
| 11" | 8 5/8" | 32# | 2850' | 475 sx Lite + 200sx "C" |
| 7 7/8" | 5 1/2" | 17# | 11350' | 400 sx Cl. "H" - SEE STIPS. |

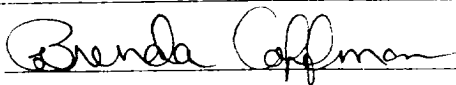
1. Drill 17 1/2" hole to 450'. Run and set 450' of 13 3/8" 48#, H-40, ST&C casing. Cement w/350 sx Class "C" cement + additives. Circulate cement to surface.
2. Drill 11" hole to 2,850'. Run and set 2,850' of 8 5/8" 40#, 8-R, ST&C J-55 casing. Cement w/475 sacks Lite + 200 sacks "C". Circulate cement to surface.
3. Drill 7 7/8" hole to 11,350'. Run and set casing @ 11,350'. Cement casing with 400 sacks Class "H". Estimated top of cement 7,000'

Approved Subject to
General Requirements and
Special Stipulations
Attached

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



TITLE

Production Analyst

DATE

May 2, 1996

(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

/s/ TIMOTHY J. BURKE

TITLE

Acting Area Manager

DATE

7-3-96

*See Instructions On Reverse Side