

Form 3166-3
(December 1990)

U.S. DEPARTMENT OF THE
BUREAU OF LAND MANAGEMENT
HOUSTON, NEW
UNITED STATES

OPER. UGHID NO. 147350
PROPERTY NO. 174
POOL CODE 96042
EFF. DATE 9/14/95
API NO. 30-025-33102

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT

1. TYPE OF WORK

DRILL ☒

DEEPEN ☐

2. TYPE OF WELL

OIL
WELL ☒

GAS
WELL ☐

OTHER ☐

SINGLE
ZONE ☐

MULTIPLE
ZONE ☐

3. NAME OF OPERATOR

Penwell Energy, Inc.

915/683-2534

4. ADDRESS AND TELEPHONE NO.

600 N. Marienfeld, Suite 1100 Midland, TX 79701

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

At surface

1980' FNL & 660' FWL

At proposed prod. zone

Same

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

17 miles NW of Eunice, NM

7. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit line, if any)

660'

8. NO. OF ACRES IN LEASE

40

9. NO. OF ACRES ASSIGNED
TO THIS WELL

40

10. DISTANCE FROM PROPOSED LOCATION*

TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

N/A

11. PROPOSED DEPTH

14,700'

12. ROTARY OR CABLE TOOLS

Rotary

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

3690' GL

14. APPROX. DATE WORK WILL START*

August 7, 1995

15.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	42#	31'	Redi-mix to surface
17 1/2"	13 3/8"	48 & 54.5#	450'	Circ. 500 sx "C"
12 1/4"	9 5/8"	48 & 53.5#	5,300'	Circ 1375 sx Lite + 200 "C"
8 3/4"	5 1/2" N-80	17, 20, 24#	14,700'	400 sx "H" (600' above Wolfcamp, minimum)

NOTE: See P.2 Appl. for Drill.

Mud Program:

	Mud Wt.	Vis.	W/L Control
0' - 450': Fresh water Gel spud mud:	8.4- 9.0 ppg	32 - 38	No W/L control.
450' - 5,300': Brinewater:	8.6-10.1 ppg	28 - 30	No W/L control.
5,300' - 8,000': Fresh water:	8.6-10.1 ppg	28 - 30	No W/L control.
8,000' - 14,700': Cut brine:	9.0-10.5 ppg	28 - 38	W/L cont. 10-15cc

BOP Program:

A 3000 psi wp 12" Shaffer LWS BOP and Annular will be installed on the 13 3/8" casing, to be used to a depth 5,300 feet. A 5000 psi wp 10" X 1500 Schaffer "LWS" BOP and Hydril, will be installed on the 9 5/8" casing. Casing and BOP will be tested before drilling out with the 12 1/4" and 8 3/4" bit and will be tested daily.

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.

16.

Agent for:

SIGNED George E. Smith TITLE Penwell Energy, Inc. DATE July 17, 1995

(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 enable the applicant to conduct operations thereon.
CONDITIONS OF APPROVAL, IF ANY:

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

APPROVED BY CRUC RODRIGUEZ TITLE _____

DATE SEP 1 1995

*See Instructions On Reverse Side

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.

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OLD HOBBS
OFFICE

DISTRICT I
P.O. Box 1980, Hobbs, NM 88241-1980

State of New Mexico

Energy, Minerals and Natural Resources Department

Form C-102
Revised February 10, 1994
Submit to Appropriate District Office
State Lease - 4 Copies
Fee Lease - 3 Copies

DISTRICT II
P.O. Drawer DD, Artesia, NM 88211-0719

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

DISTRICT IV
P.O. BOX 2088, SANTA FE, N.M. 87504-2088

OIL CONSERVATION DIVISION

P.O. Box 2088

Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-33102	Pool Code 96042	Pool Name Wildcat Devonian
Property Code 17498	Property Name PENWELL ENERGY FEDERAL "14"	Well Number 1
OCBID No. 147380	Operator Name PENWELL ENERGY INC.	Elevation 3690

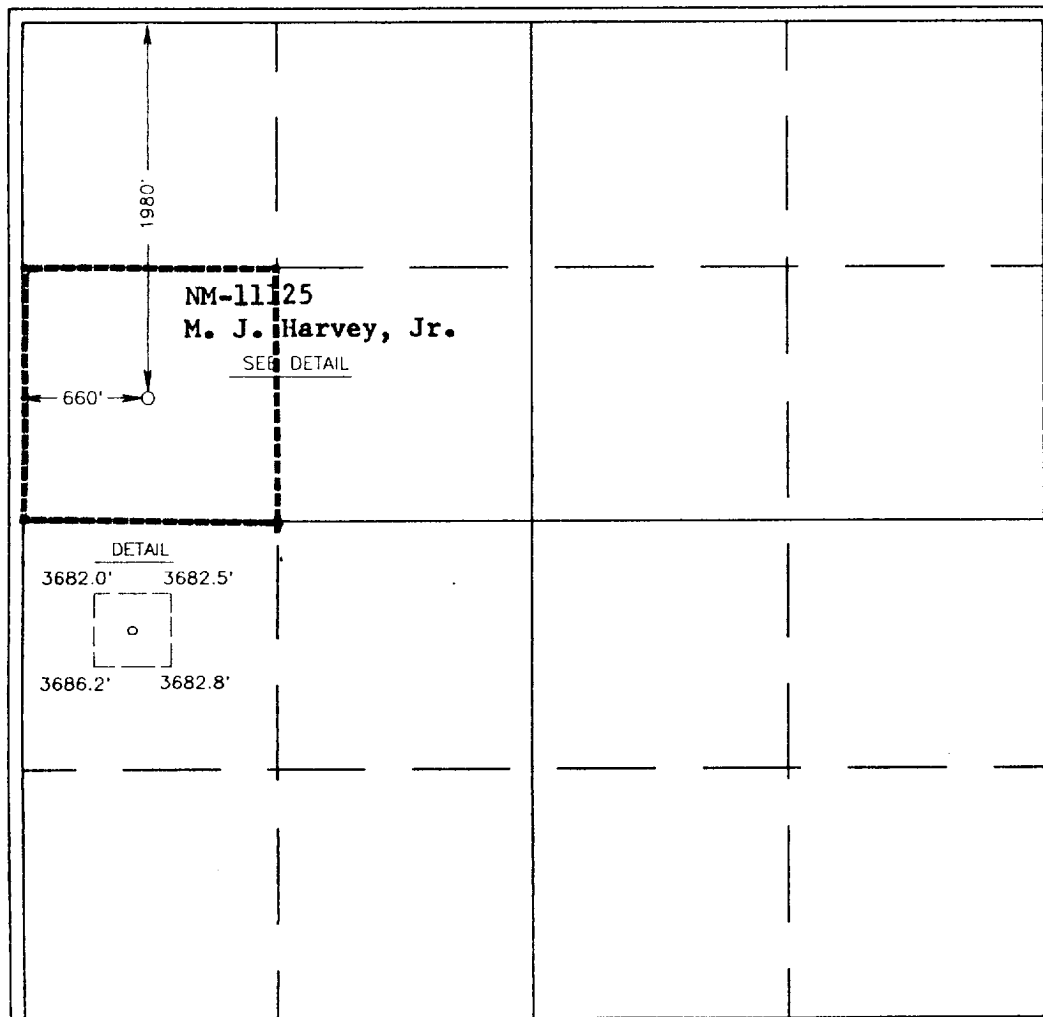
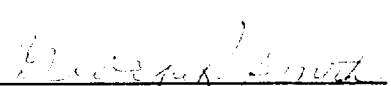
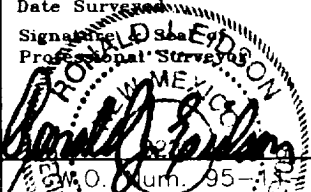
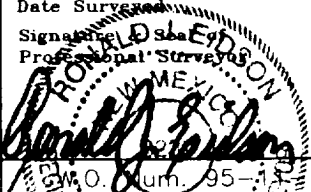
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
E	14	20 S	35 E		1980	NORTH	660	WEST	LEA

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 40	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 George R. Smith, agent for Printed Name Penwell Energy, Inc. Title July 17, 1995 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. JUNE 30, 1995 Date Surveyed  Signature Professional Surveyor  7-05-95 Date JOHN A. WEST State No. 3239 Certified Professional 12641

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**U.S. DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION**

APPLICATION FOR DRILLING

PENWELL ENERGY, INC.
Penwell Energy Federal "14", Well No. 1
1980' FNL & 660' FWL, Sec. 14-T20S-R35E
Lea County, New Mexico
Lease No.: NM-11125
(Exploratory Well)

In conjunction with Form 3160-3, Application for Permit to Drill subject well, Penwell Energy, Inc. submits the following items of pertinent information in accordance with BLM requirements:

1. The geologic surface formation is recent Permian with quaternary alluvium and other surficial deposits.

2. The estimated tops of geologic markers are as follows:

Rustler	2035'	Strawn	12,100'
Base/Salt	3750'	Atoka	12,340'
Yates	3925'	Morrow	12,775'
Queen	4715'	Barnett	13,360'
Capitan	5245'	Mississippian Lime	13,730'
Bone Spring	7970'	Woodford	14,390'
Wolfcamp	11,745'	Devonian	14,560'
		T.D.	14,650'

3. The estimated depths at which water, oil or gas formations are anticipated to be encountered:

Water: Surface water between 100' - 350'.
Oil: Possible in the Yates, Bone Spring, Strawn and Devonian.
Gas: Possible in Wolfcamp, Atoka and Morrow.

4. Proposed Casing Program: See Form 3160-3 and page 2.

5. Proposed Control Equipment: See Form 3160-3 and Exhibit "E".

6. Mud Program: See Form 3160-3.

7. Auxiliary Equipment: Blowout Preventer, gas detector, Kelly cock, pit level monitor, flow sensors and stabbing valve.

8. Testing, Logging, and Coring Program:

Drill Stem Tests: Possible in the Devonian.

Logging: Gamma Ray:
CNL-LDT, DLL-MFL

Surf. Csg. to T.D.
Below 8 5/8" to T.D.

Coring: None planned.

9. No abnormal pressures or temperatures are anticipated. In the event abnormal pressures are encountered the proposed mud program will be modified to increase the mud weight. Estimated BHP = 4850 psi (Exc. Hole), Temp. = 200°.

- 9a. H₂S: None expected, based on wells drilled in the area.

10. Anticipated starting date: August 7, 1995.
Anticipated completion of drilling operations: Approximately 8 weeks.

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OFFICE

Penwell Energy Federal "14". Well No. 1
 Penwell Energy, Inc.
 Page 2

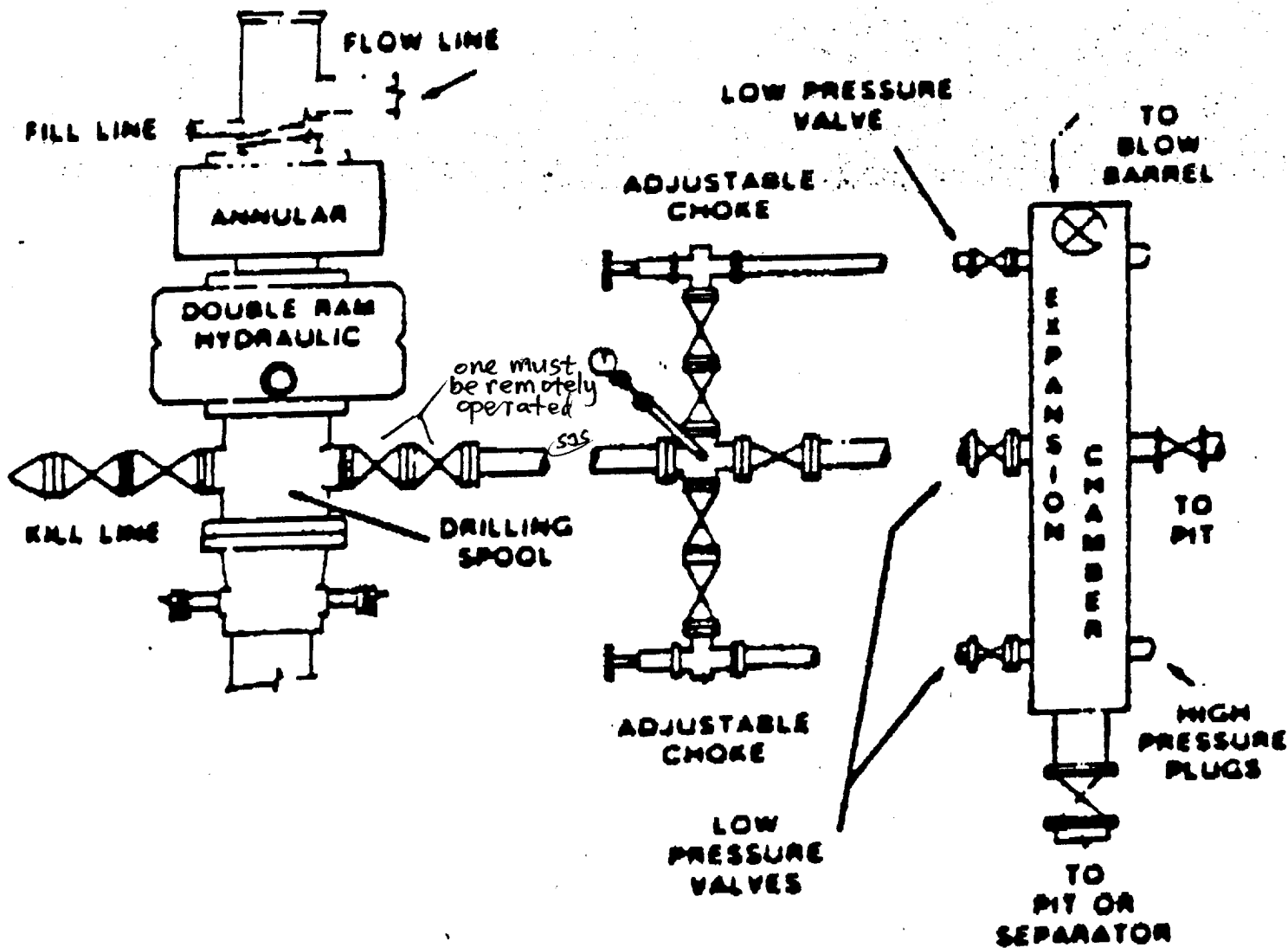
Ref. Par. 4: PROPOSED CASING AND CEMENTING PROGRAM:

Hole Size	Casing Size,Grade	Weight/ft	Depth Set	Quantity of Cement
26"	20" conductor	42.0#	31'	Readi-mix
17 1/2"	13 3/8" WC-40	48.0#	450'	Circ. 450 sx "C"
12 1/4"	9 5/8" J-55	40.0#	4000'	Circ. 1375 Sx Lite + 200 sx "C"
"	" S-95	40.0#	1300'	
8 3/4"	5 1/2" N-80	17.0#	10,000'	Cover formation with 400 sx "H".
"	" "	20.0#	4000'	
"	" "	23.0#	700'	

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U.S. PUBLIC
SERVICE



Standard Blowout Preventer Stack

EXHIBIT "E"
 PENWELL ENERGY, INC.
 Penwell Energy Federal "14", Well No. 1
 5M BOP Specifications

92/11/5
92/11/5
92/11/5

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