A M Oil Cons. Division

20 Box 1980 FORM APPROVED UNITED STATES Form 3160-5 House NW 88241 Budget Bureau No. 1004-0135 (June 1990) DEPARTMENT OF THE INTERIOR Expires: March 31, 1993 5. Lease Designation and Serial No. **BUREAU OF LAND MANAGEMENT** NM-90539 SUNDRY NOTICES AND REPORTS ON WELLS 6. If Indian, Allottee or Tribe Name Do not use this form for proposals to drill or to deepen or reportry to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals 7. If Unit or CA, Agreement Designation SUBMIT IN TRIPLICATE 1. Type of Well 8. Well Name and No. Oil Well #1 Y Gas Well Other Bilbrey North "22"Fed 2. Name of Operator 9. API Well No. Penwell Energy, Inc. (915) 683-2534 3. Address and Telephone No. 600 N. Marienfeld, Ste. 1100, Midland, Texas 79701 10. Field and Pool, or Exploratory Area Bilbrev - Morrow 4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 11. County or Parish, State 1980' FSL & 660' FWL Sec. 22, T21S, R32E Lea County, N.M. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA 12 TYPE OF ACTION TYPE OF SUBMISSION Change of Plans Notice of Intent Abandonment **New Construction** Recompletion Non-Routine Fracturing Plugging Back Subsequent Report Water Shut-Off Casing Repair Conversion to Injection Altering Casing Final Abandonment Not buSpud, csg tst & cmt 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.) 11-26-96 Spudded 17 1/2" surface hole @ 2:00 AM. 11-30-96 RIH w/27 jts., 54.5#, J-55, 8rd, STC, new API SURFACE casing Set @1,255'. Cemented w/675 sx. of Cl. "C" Lite + 1/4#/sx. flocele + 3#/sx gilsonite + 2% CaCl₂ mixed @ 12.4 ppg., yield 2.01 sq. ft. Followed by 200 sx. of Cl. "C" Neet + 2% CaCl mixed @ 14.8 ppg., yield 1.34 sq. ft, mixing water 6.31 gals./sk. Plug down to 1205' @ 5:00 PM. Circ. to ground surface. WOC 12 hrs. (Casing size 13 3/8")
12-10-96 INTERMEDIATE CASING: 12 1/4" hole. Ran 122 jts. 9 5/8", 47#, L-80, 8rc LTC, New API csg. Set. @ 4,940'. Cmt'd w/200 sx. of Cl. C + 5#/sk gil versaset mixed @ 14.8#/gal., yield 1.36 sq ft/sx. Followed by 2100 sx of Cl. C Lite + l#/sk gil + l/4#/sx flocele + l2#/sk. salt mixed @ 12.4 ppg., yield 2.24 sq ft/sx. mixing water 12.35 gals/sk followed by 400 sx. of Cl. C Neet + 2% CaCl, mixed @ 14.8 ppg., yield 1.34 sq ft/ sx. Had 90-100% returns throughout job. Circ. 160 sx. of cmt. to surf. WOC.24 hrs. See attached. March 21, Regulatory Analyst (This space for Federal or State office use) Date

Bilbrey "22", Well #1
Attachment to Form 3160-5

1-26-97 PRODUCTION CASING:

Ran 138 jts. 5 1/2", 20#, L-80, 8rd LTC New API csg. + 123 jts. 5 1/2" 20#, L-80, 8rd LTC New API csg. + 80 jts. 5 1/2", 20#, S-95/P-110, 8rd LTC New API csg. set @ 15,019'. Cemented first stage w/2,000 sx. of Modified Super "H" containing .4% CFR-3 + 5#/sx. gilsonite + .5% Halad-344 + 1#/sx. salt + .4% HR-7 mixed @ 13.00 ppg., yield 1.67 sq. fmixing water 8.27 gals./sk. Plug down to 14,927' @ 3:AM. Circ'd 150 sx. cmt. to the pit.

Cmt'd 2nd stage w/1200 sx. Cl. H Lite containing 1/4#/sx. flocele + .4% Halad-322 + 5#/sx. salt mixed @ 12.5#/gal, yield 2.14 sq. ft/sx. Mixing water 4173 gals./sx. followed by 100 sx. of modified Super "H" containing same additives as 1st stage. Plug down to 8,993' @ 9:45 AM. DV Tool closed & held ok. RIG RELEASED @ 10:00 PM.