

APPLICATION TO DRILL
PENWELL ENERGY INC.
JD "33" FEDERAL # 1
660' FNL & 2080' FEL SEC. 33
T21S-R33E LEA CO. NM

In response to questions asked under Section II B of Bulletin NTL-6 the following information is provided for your consideration:

1. Location: 660' FNL & 2080' FEL SEC. 33 T21S-R33E LEA CO. NM
2. Elevation above sea level: 3665' GR.
3. Geologic name of surface formation: Quaternary Aeolian Deposits.
4. Drilling tools and associated equipment: Conventional rotary drilling rig using fluid as a circulating medium for solids removal.
5. Proposed drilling depth: 15,200'
6. Estimated tops of geological markers:

Delaware	4500'	Strawn	13,350'
Bone Spring	9000'	Atoka	13,550'
Wolfcamp	11,900'	Morrow	14,750'

7. Possible mineral bearing formations:

Delaware	Oil	Atoka	Gas
Bone Spring	Oil	Morrow	Gas

8. Casing program:

HOLE SIZE	INTERVAL	OD CSG	WEIGHT	THREAD	COLLAR	GRADE	COND.
26"	0-40	20"	NA	NA	NA	NA	New
17 1/4"	0-600'	13 3/8"	54.5	8-R	ST&C	J-55	New
12 1/4"	600-5280'	9 5/8"	47 ⁵⁷⁵	8-R	LT&C	A-80	New
8 1/2"	5280-12,200	5 1/2"	29	8-R & Butt.	LT&C	S-95	New
	12000'-15200	4 1/2"	13.5	8R	LT&C	P-110	