

UNITED
DEPARTMENT OF
BUREAU OF LAND

APPLICATION FOR PERMIT

OPER. OGRID NO. 1473812PROPERTY NO. 1897 DATEPOOL CODE 1332DEFF. DATE 6/6/97API NO. 3D-025-34006-111FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

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.

(BILL PIERCE)

Ph. 915-683-2534

3. ADDRESS AND TELEPHONE NO.

600 NORTH MARIENFELD SUITE 1100 MIDLAND, TEXAS 79701

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

At surface

1830' FWL & 1980' FSL SEC. 19 T18S-R33E LEA CO. NEW MEXICO

At proposed prod. zone SAME

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

Approximately 35 miles East of Hobbs New Mexico

15. DISTANCE FROM PROPOSED

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drlg. unit line, if any)

1830'

13. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED,

OR APPLIED FOR, ON THIS LEASE, FT.

1500' ±

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

3805' GR.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
25"	20" conductor	NA	40'	Cement to surface with Redi-mix
17 1/2"	H-40 13 3/8"	48	450'	350 Sx Cl "C" circulate to surface
12 1/4"	J-55 8 5/8"	32	2850'	1000 Sx. "C" " " "
7 7/8"	N-80 5 1/2"	17	11,450'	1050 Sx 2 stage Est TC 2650'

CAPITAN CONTROLLED WATER BASIN

1. Drill 25" hole to 40'. Set 40' of 20" conductor cement to surface with Redi-mix.
2. Drill 17 1/2" hole to 450'. Run and set 450' of 13 3/8" H-40 48# ST&C casing. Cement with 400 Sx. Class "C" + 3% CaCl, circulate cement to surface.
3. Drill 12 1/4" hole to 2850'. Run and set 2850' of 8 5/8" J-55 32# ST&C casing. Cement with 700 Sx. Class "C" light, tail in with 300 Sx. Class "C" neat + 2% CaCl circulate cement to surface.
4. Drill 7 7/8" hole to 11,450'. Run and set 11,450' of 5 1/2" N-80 17# LT&C casing. Cement 1st stage with 450 Sx. Class "H" cement + additives. DV tool at 6800'± cement 2nd stage with 400 Sx. Class "C" light + additives tail in with 200 Sx. Class "C" + additives bring cement back to 2650'±.

6/3/97
als

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

East Corbin

TITLE Agent

DATE 04/12/97

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject land which are necessary to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY

(ORIG. SGD.) JAMES G. PETTENGILL

TITLE

Acting

ADM. MINERALS

DATE

6-4-97

*See Instructions On Reverse Side

Time for any person known to be in the vicinity to make any department or agency of the

DISTRICT I
P.O. Box 1980, Hobbs, NM 88240

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

DISTRICT II
P.O. Drawer DD, Artesia, NM 88210

OIL CONSERVATION DIVISION

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

P.O. Box 2088
Santa Fe, New Mexico 87504-2088

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number 30-025-34006	Pool Code 13320	Pool Name CORBIN SOUTH WOLFCAMP
Property Code 18972	Property Name West Corbin "19" Federal	Well Number 5
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3805'

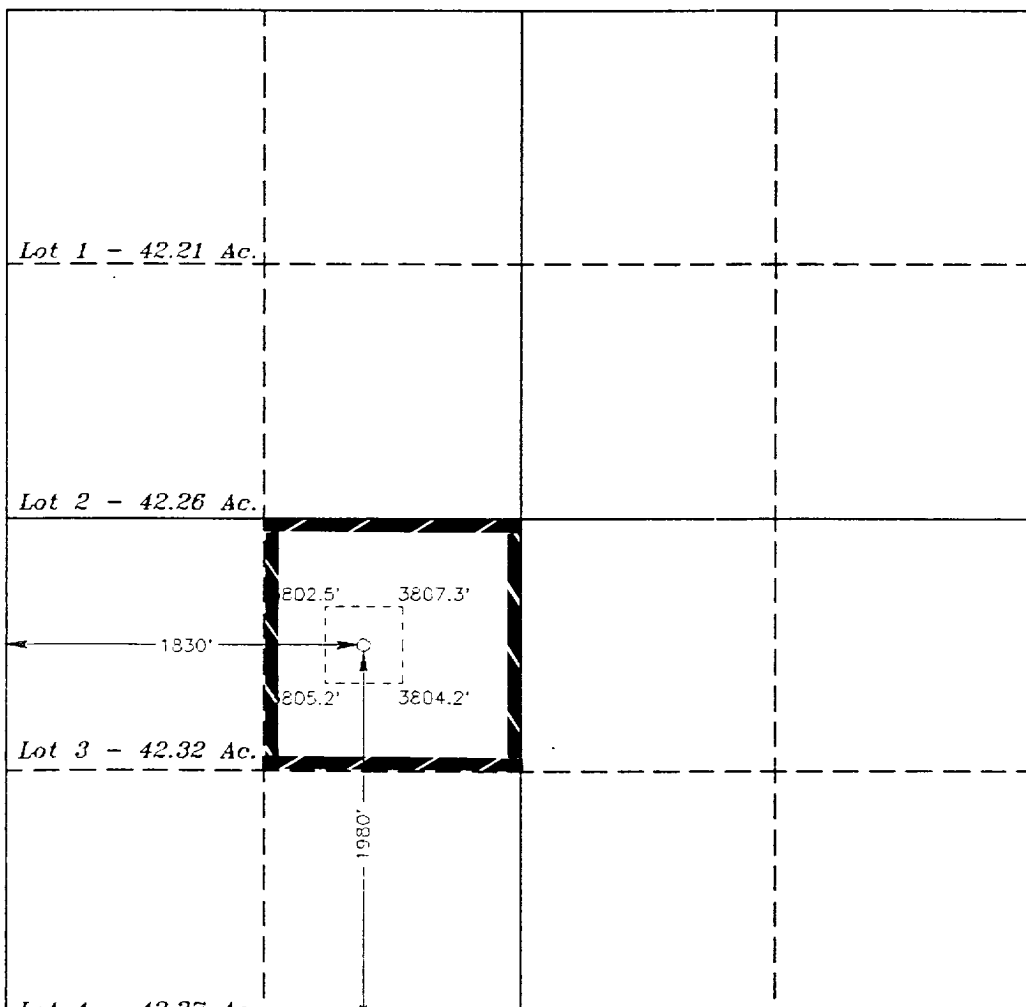
Surface Location

UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
K	19	18 S	33 E		1980	South	1830	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

<p>Lot 1 - 42.21 Ac.</p> <p>Lot 2 - 42.26 Ac.</p> <p>Lot 3 - 42.32 Ac.</p> <p>Lot 4 - 42.37 Ac.</p>		<p>OPERATOR CERTIFICATION</p> <p>I hereby certify the the information contained herein is true and complete to the best of my knowledge and belief.</p> <p><i>Joe T. Janica</i> Signature Joe T. Janica Printed Name Agent Title 04/12/97 Date</p> <p>SURVEYOR CERTIFICATION</p> <p>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.</p> <p>March 31, 1997</p> <p>Date Surveyed Signature & Seal of Professional Surveyor W.L.O. No. 7113c Certificate No. Gary L. Jones 7977</p>
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APPLICATION TO DRILL

PENWELL ENERGY, INC.
 WEST CORBIN "19" FEDERAL #5
 UNIT "K" SECTION 19
 T18S-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: 1830' FWL & 1980' FSL SEC. 19 T18S-R33E LEA CO. NEW MEXICO.
2. Elevation above sea level:
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: 11,450'
6. Estimated tops of geological markers:

Rustler Anhydrite	1250'	San Andres	4860'
Yates	2850'	Bone Spring	8660'
Seven Rivers	3340'	Wolfcamp	11,150'
Queen	3790'		
7. Possible mineral bearing formation:

Yates	Oil
Queen 7 Rivers	Oil
Bone Spring	Oil
Wolfcamp	Oil
8. Casing program:

Hole size	Interval	OD casing	Weight	Thread	Collar	Grade	Condition
25"	0-40	20"	NA	NA	NA	NA	New
17½"	0-450'	13 3/8"	48	8-R	ST&C	K-40	New
12½"	0-2850'	8 5/8"	32	8-R	ST&C	J-55	New
7 7/8"	0-11,450'	5½"	17	8-R	LT&C	N-80	New

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 UNIT "K" SECTION 19
 T18S-R33E LEA CO. NM

9. Cementing and Setting Depth:

20"	Conductor	Set 40' of 20" Conductor cement to surface with Redi-mix.
13 3/8"	Surface	Set 450' of 13 3/8" 48# H-40 ST&C casing. Cement with 400 Sx. Class "C" + 3% CaCl, circulate cement to surface.
8 5/8"	Intermediate	Set 2850' of 8 5/8" 32# J-55 ST&C casing. Cement with 700 Sx. Class "C" Light, tail in with 300 Sx Class "C" neat + 3% CaCl, circulate cement to surface.
5 1/2"	Production	Set 11,450' of 5 1/2" 17# N-80 LT&C casing. Cement in two stages. DV tool at 6800'±. 1st stage with 450 SX. Class "H" cement + additives. 2nd stage with 400 Sx. Class "C" Light + additives, tail in with 200 Sx. Class "C" + additives. Estimated top of cement 2650'

10. Pressure Control Equipment: Exhibit "E". A 1500 Series 5000 PSI working pressure B.O.P. consisting of a double ram type preventor with a bag type annular preventor. BOP unit will be hydraulically operated. Exhibit "E-1". Choke manifold and closing unit. BOP will be nipped up on 13 3/8" casing and will be operated at least once each 24 Hr. period while drilling and blind rams will be operated when out of hole during trips. Flow sensor, PVT, full opening stabbing valve and upper kelly cock will be utilized. No abnormal pressure or temperature is expected while drilling.

11. Proposed Mud Circulating System:

Depth	Mud Wt.	Visc,	Fluid Loss	Type Mud
0-450'	8.6-9	28-40	NC	Fresh water Spud mud use paper for seepage control
450-2850'	10-10.5	28-32	NC	Brine water use lime for pH control and paper for seepage control.
2850-10,500'	8.8-9.5	28-32	NC	Cut Brine and lime for pH control.
10,500-11,450'	9-9.8	34-40	10 cc or less	Cut Brine adding Drispac Soda Ash, Gel and starch to control water loss.

Sufficient mud materials will be kept on location at all times in order to combat lost circulation, unexpected kicks. In order to run DST'S, open hole logs, and casing the viscosity and water loss may have to be adjusted to meet these needs.

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WEST CORBIN "19" FEDERAL #5
UNIT "K" SECTION 19
T18S-R33E LEA CO. NM

12. Testing, Logging and Coring Program:

- A. Open Hole Logs: Gamm Ray-Caliper from TD To Surface. CNL-LDT, Dual Laterolog MSFL from TD to Intermediate casing shoe.
- B. No coreing is planned at this time.
- C. No DST'S are planned.

13. Potential Hazards:

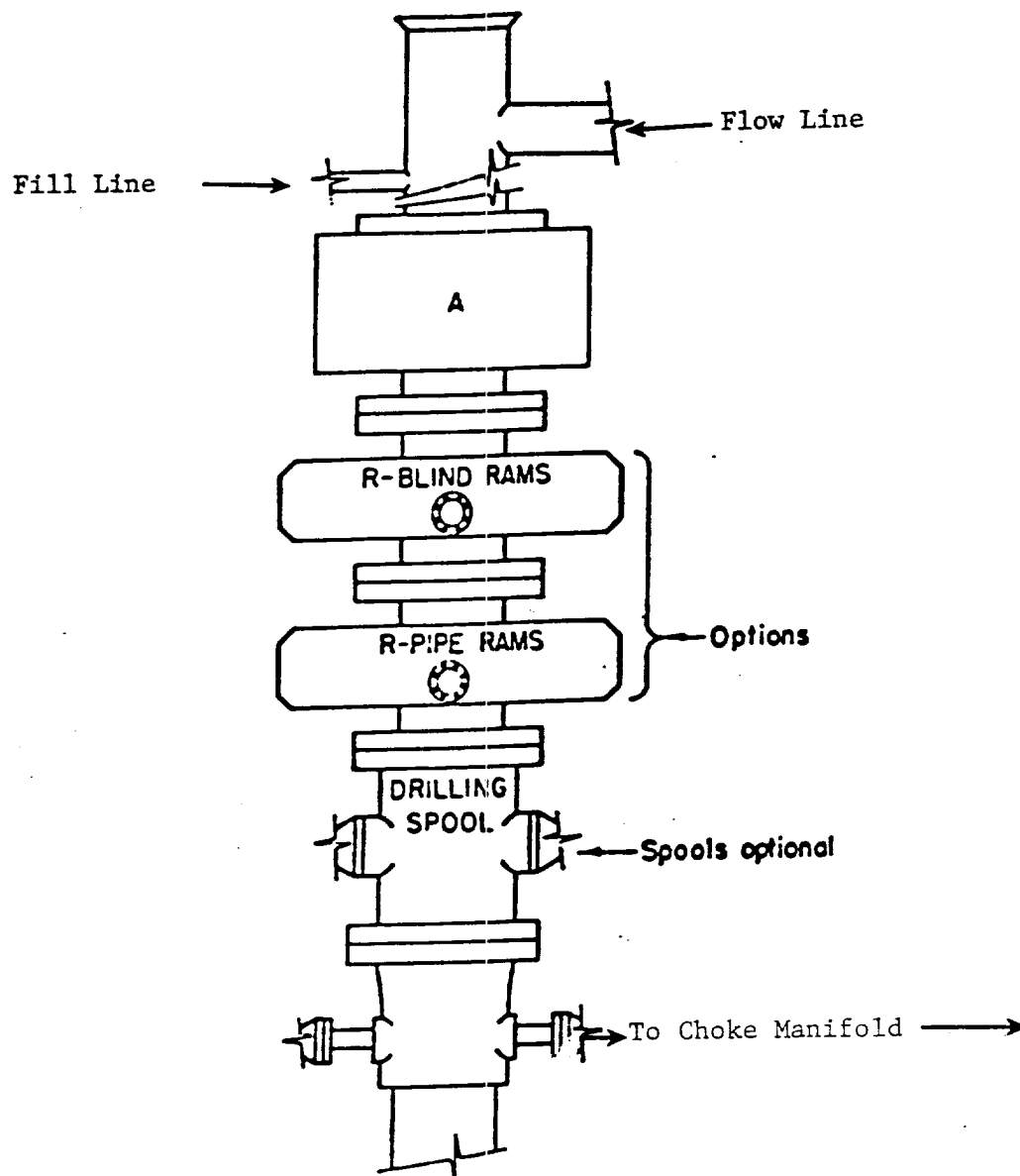
No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3000 PSI, estimated BHT 140° .

14. Anticipated Starting Date and Duration of Operation:

Road and location construction will begin after BLM approval of APD. Anticipated spud date as soon as approved. Drilling expected to take 28-35 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. Other Facets of Operations:

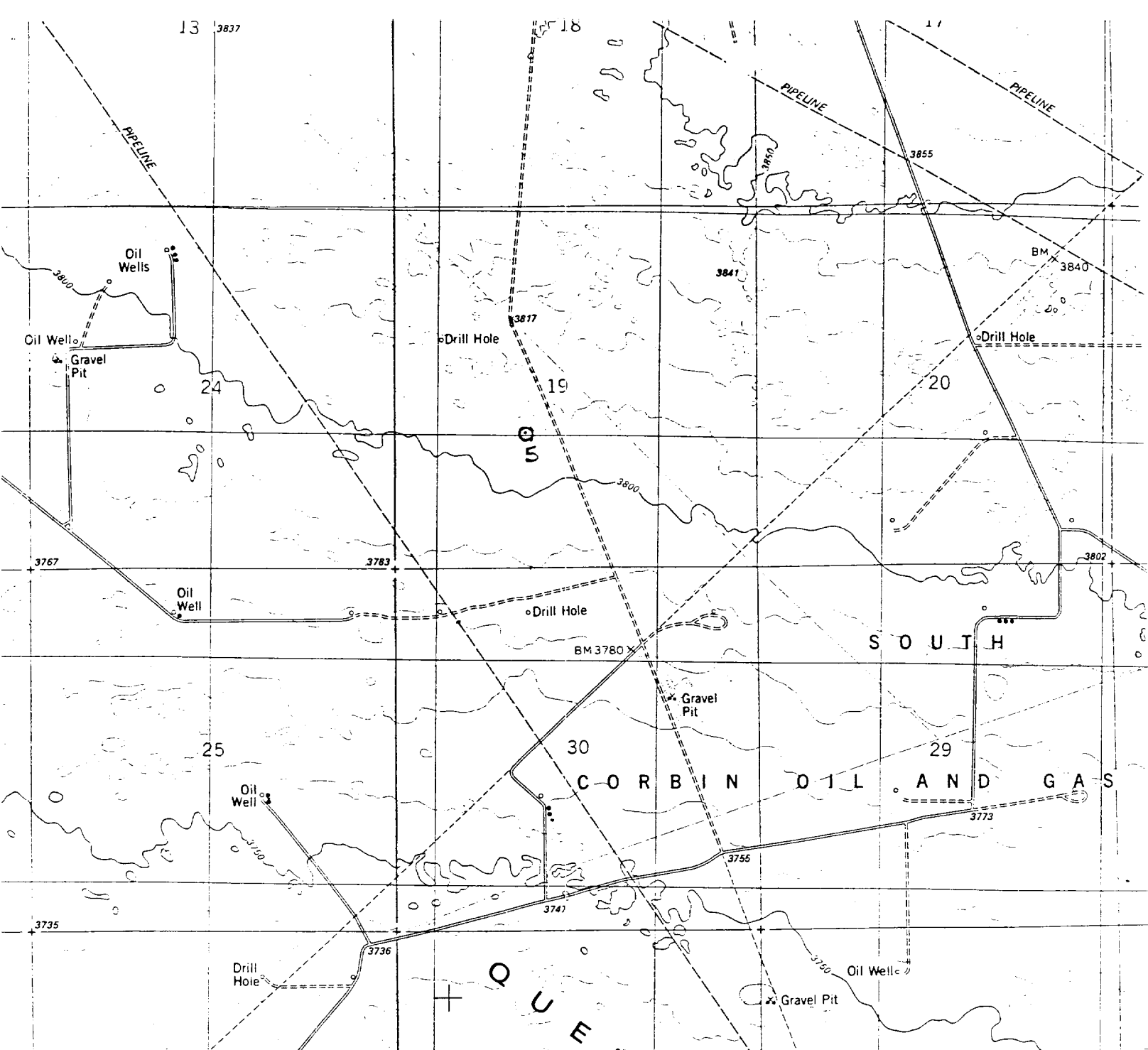
After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Wolfcamp pay will be perforated and stimulated. The well will be swab tested and potentialized as an oil well.



ARRANGEMENT SRRA

1500 Series
5000# Working Pressure

EXHIBIT "E"
B.O.P. SKETCH TO BE USED ON
PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL #5
UNIT "K" SECTION 19
T18S-R33E LEA CO. NM



PENWELL ENERGY INC.
 WEST CORBIN "19" FEDERAL No. 5
 1980' FSL & 1830' FWL
 Sec. 19, T-18-S, R-33-E,
 Lea County, New Mexico.



SCALE: 1"=2000'

BASIN SURVEYS

P.O. BOX 1786—HOBBS, NEW MEXICO

2000' 0 2000' 4000 Feet



W.D. Number: 7113	Drawn By: S.C. Nichols	Survey Date: 03-31-97	Sheet 1 of 1 Sheets
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