Fo.m 3160-3
(July 1992)

OPER. OGRID NO. 14 1382
PROPERTY NO. 18922
POOL CODE 13160
EFF. DATE 6/6/97
API NO. 30-025-34008

...RIPLICATE*
...uctions on
...side)

FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

UNIT
DEPARTMENT
BUREAU OF

APPLICATION FOR PE

5. LEASE DESIGNATION AND SERIAL NO.
LC-069276

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
---

7. UNIT AGREEMENT NAME
---

8. FARM OR LEASE NAME, WELL NO.
WEST CORBIN "19" FED. # 7

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT
CORBIN BONE SPRING SOUTH

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
SEC. 19 T18S-R33E

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
1650' FEL & 660' FNL SEC. 19 T18S-R33E LEA CO. NEW MEXICO
At proposed prod. zone SAME
Unit B

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
Approximately 35 miles East of Hobbs New Mexico

12. COUNTY OR PARISH
LEA CO.

13. STATE
NEW MEXICO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)	16. NO. OF ACRES IN LEASE	17. NO. OF ACRES ASSIGNED TO THIS WELL
660'	520	40
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.	**19. PROPOSED DEPTH**	**20. ROTARY OR CABLE TOOLS**
2300'	9400'	ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
3832' GR.

22. APPROX. DATE WORK WILL START*
As soon as approved

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
17½"	H-40 13 3/8"	48	450'	350 Sx. Circulate to surface
12¼"	J-55 8 5/8"	32	2850'	775 Sx. " " "
7 7/8"	N-80 5½"	17	9400'	825 Sx. top cement 2650'

WITNESS

CAPITAN CONTROLLED WATER BASIN

1. Drill 25" hole to 40'. Set 40' of 20" conductor, cement to surface with Redi-mix.

2. Drill 17½" hole to 450'. Run and set 450' of 13 3/8" H-40 48# ST&C casing. Cement with 400 Sx. Class "C" cement + 3% CaCl. Circulate cement to surface.

3. Drill 12¼" hole to 2850'. Run and set 2450' of 8 5/8" J-55 32# ST&C casing. Cement with 500 Sx. Class "C" light, tail in with 200 Sx. Class "C" neat + 2% CaCl. Circulate cement to surface.

4. Drill 7-7/8" hole to 9400'. Run & set 940C' of 5½" N-80 17# LT&C casing DV Tool @ 6500' ± cement 1st stage with 375 sx Class "H" + additives. Cement 2nd stage with 350 sx class "C" Light tail in with 200 sx Class "C" bring cement top 200' into 8-5/8. Estimate 2650'.

aes
6/3/97

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 Joe T. Carrillo 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 lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

(ORIG. SGD.) JAMES G. PETTENGILL

APPROVED BY _____ TITLE ADM. MINERALS DATE 6/4/97

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001 ... time for any person knowingly and willfully to make to any department or agency of the

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

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

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

State of New Mexico
Energy, Minerals and Natural Resources Department

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

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

☐ AMENDED REPORT

WELL LOCATION AND ACREAGE DEDICATION PLAT

API Number	Pool Code	Pool Name
14738D	13160	CORBIN BONE SPRING SOUTH

Property Code	Property Name	Well Number
18972	West Corbin "19" Federal	7

OGRID No.	Operator Name	Elevation
147380	Penwell Energy Inc.	3832'

Surface Location

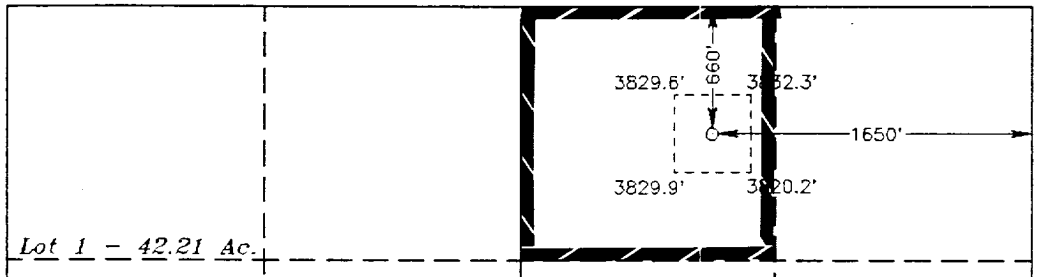
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
B	19	18 S	33 E		660	North	1650	East	Lea

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	Joint or Infill	Consolidation Code	Order No.
40			

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

Joe T. Janica
Printed Name

Agent
Title

04/12/97
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 supervison, and that the same is true and correct to the best of my belief.

March 31, 1997
Date Surveyed

Signature & Seal of Professional Surveyor

7977

W.O. No. 7113b

Certificate No. Gary L. Jones 7977

BASIN SURVEYS

EXHIBIT "A"

APPLICATION TO DRILL

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL #7
UNIT "B" 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: 660' FNL & 1650' FEL SEC. 19 T18S-R33E LEA CO. NM

2. Elevation above sea level: 3832' GR.

3. Geologic name of surface formation: Quaternery 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:

6. Estimated tops of geological markers:

Rustler Anhydrite	1250'	San Andres	4860'
Yates	2850'	Bone Spring	8660'
Seven Rivers	3340'		
Queen	3790'		

7. Possible mineral bearing formation:

Yates	Oil
Queen 7 Rivers	Oil
Bone Spring	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	H-40	New
12¼"	0-2850'	8 5/8"	32	8-R	ST&C	J-55	New
7 7/8"	0-9400'	5½"	17	8-R	LT&C	N-80	New

APPLICATION TO DRILL

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL #7
UNIT "B" 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 4/8"	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.
5½"	Production	Set 9400' of 5½" 17# N-80 LT&C casing. Cement in two stages. DV tool at 6800'±. 1st stage with SX. Class "H" cement + additives. 2nd stage with 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 press B.O.P. consisting of a double ram type preventor with a bag type annular prevent BOP un-t will be hydraulically operated. Exhibit "E-1". Choke manifold and closi unit. BOP will be nipple up on 13 3/8" casing and will be operated at least onc each 24 Hr. period while drilling and blind rams will be operated when out of hol 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 contro
450-2850'	10-10.5	28-32	NC	Brine water use lime for control and paper for see control.
2850-9000'	8.8-9.5	28-32	NC	Cut Brine and lime for p control.
9000-9400'	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, unexpectedkicks. 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.

APPLICATION TO DRILL

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL #7
UNIT "B" SECTION 19
T18S-R33E LEA CO. NM

12. Testing, Logging and Coring Program:

A. Open hole logs: Gamma Ray, Caliper, Dual Laterolog, CNL, LDT, MSFL from TD to 2850'. Gamma Ray, Neutron from TD to surface.

B. No coreing or DST'S planned at this time.

13. Potential Hazards:

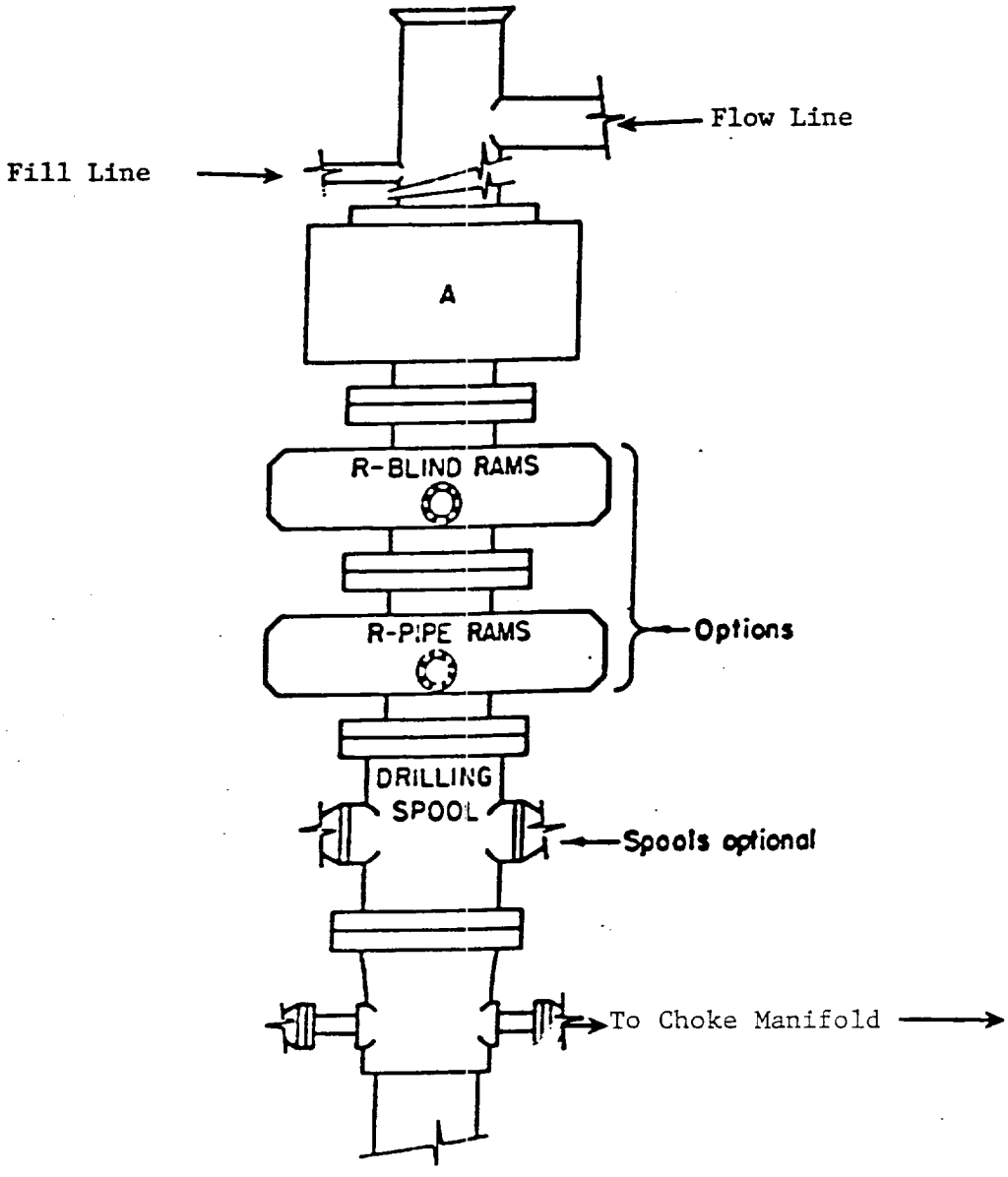
No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H_2S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3000 PSI, estimated BHT ~~175°~~ .

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 22-28 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 Bone Spring pay will be perforated and stimulated. The well will be swab tested and potentialed 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 # 7
UNIT "B" SECTION 19
T18S-R33E LEA CO. NM

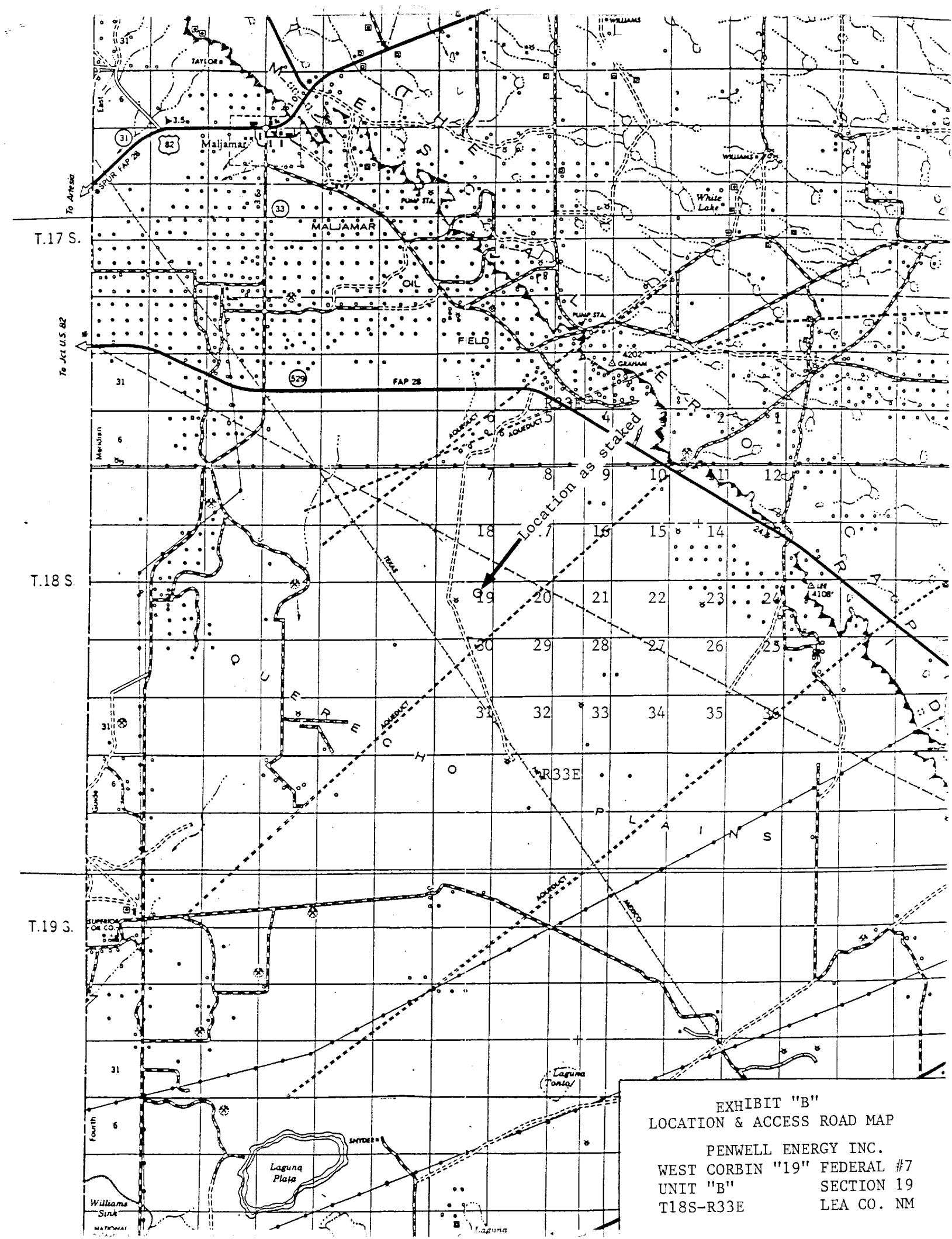


EXHIBIT "B"
LOCATION & ACCESS ROAD MAP

PENWELL ENERGY INC.
WEST CORBIN "19" FEDERAL #7
UNIT "B" SECTION 19
T18S-R33E LEA CO. NM