

UNIT
DEPARTMENT
BUREAU OFOPER. OGRID NO. 147380
PROPERTY NO. 1897
POOL CODE 13160
EFF. DATE 7/18/97
API NO. 30-025-34065VISION
APPLICATION
IONS ON
#34FORM APPROVED
OMB NO. 1004-0136
Expires: February 28, 1995

APPLICATION FOR PERMIT

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

2080' FNL & 560' FEL SEC.19 T18S R33E Lea Co., N.M.

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

BLM

LEA CO.

NEW MEXICO

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drig. unit lide, if any) 560'

16. NO. OF ACRES IN LEASE

520

NO. OF ACRES ASSIGNED
TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

1400'

19. PROPOSED DEPTH

9450'

20. ROTARY OR CABLE TOOLS

ROTARY

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

3825' GR.

22. APPROX. DATE WORK WILL START*

As soon as approved

23.

PROPOSED CASING AND CEMENTING PROGRAM

CAPITAN CONTROLLED WATER BASIN

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. Circul WITNESS Surface
12½"	J-55 8 5/8"	32	2850'	775 Sx. " " "
7 7/8"	N-80 5½"	17	9450	825 sx. Top cement 2650'

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 12½" 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 9450'. Run & set 9450' 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 into 8-5/8". Estimate 2650'.

APPROVAL SUBJECT TO
GENERAL REQUIREMENTS AND
SPECIAL STIPULATIONS
ATTACHED

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present zone, productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

24.

SIGNED

Joe T. Janera

TITLE Agent

DATE 04/29/97

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

ADM, MINERALS

APPROVED BY

TITLE

DATE

7/16/97

*See Instructions On Reverse Side

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

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 30-025-34065	Pool Code 13160	Pool Name CORBIN SOUTH - WOLECAMP Bone Spring
Property Code 18972	Property Name West Corbin "19" Federal	Well Number 8
OGRID No. 147380	Operator Name Penwell Energy Inc.	Elevation 3825'

Surface Location

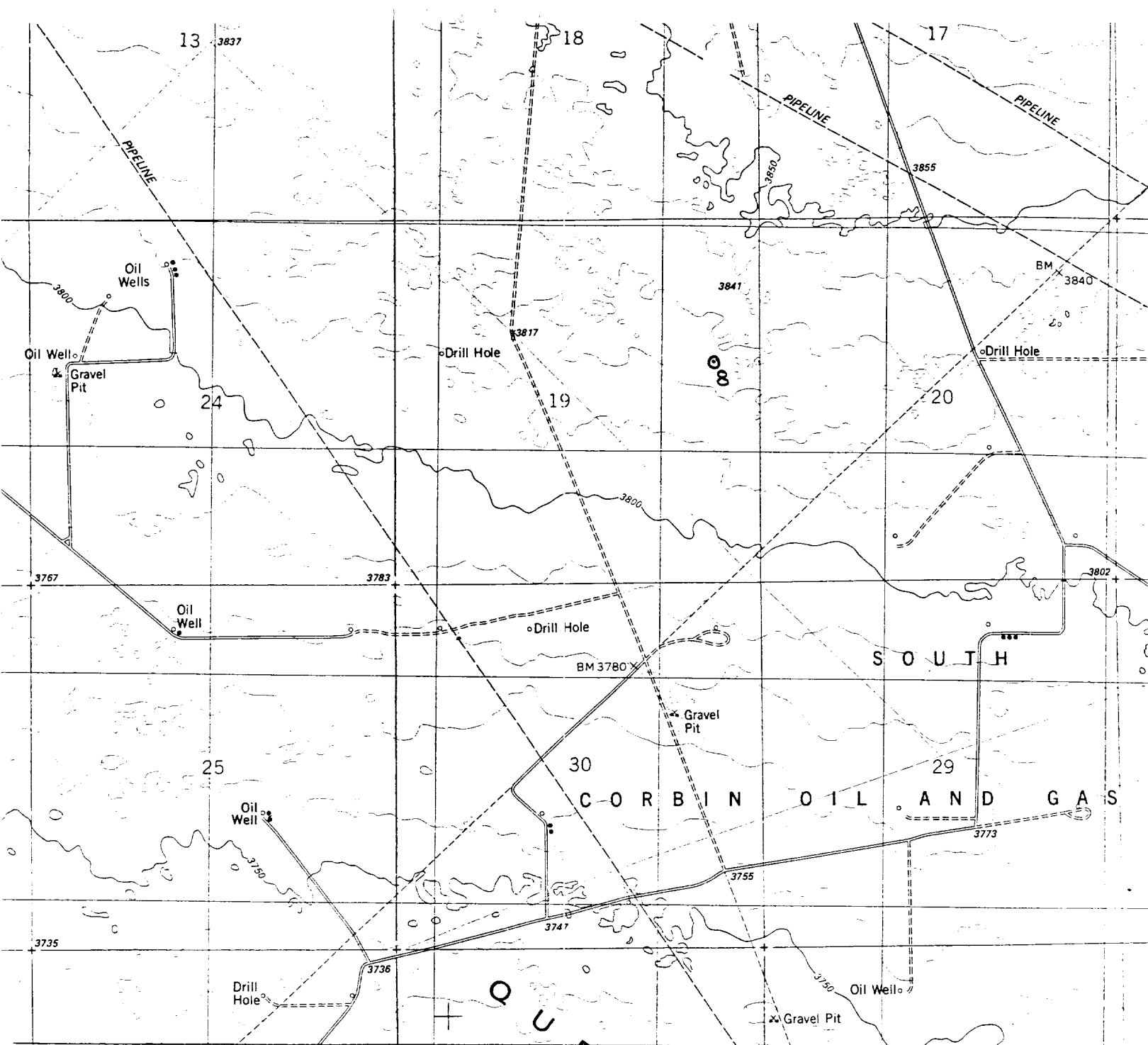
UL or lot No.	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
H	19	18 S	33 E		2080	North	560	East	Lea

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 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 Joe T. Janica Printed Name Agent Title 04/29/97 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 supervision and that the same is true and correct to the best of my belief. April 23, 1997 Date Surveyed Signature & Seal of Professional Surveyor W.P. No. 7113d Certificate No. Gary L. Jones 1997 BASIN SURVEYS	



PENWELL ENERGY INC.
 WEST CORBIN "19" FEDERAL No. 8
 2080' FNL & 560' FEL
 Sec. 19, T-18-S, R-33-E,
 Lea County, New Mexico.



SCALE: 1"=2000'

BASIN SURVEYS

P.O. BOX 1786-HOBBS, NEW MEXICO



W.O. Number: 7113	Drawn By: S.C. Nichols	Survey Date: 04-23-97	Sheet 1 of 1 Sheets
-------------------	------------------------	-----------------------	---------------------

APPLICATION TO DRILL

PENWELL ENERGY, INC.
 WEST CORBIN "19" FEDERAL #8
 UNIT "H" 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: 2080' FNL & 560' FEL SEC. 19 T18S-R33E LEA CO NM
2. Elevation above sea level: 3825' 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: 9450'
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
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"	0-9450'	5½"	17	8-R	LT&C	N-80	New

APPLICATION TO DRILL

PENWELL ENERGY, INC.
 WEST CORBIN "19" FEDERAL #8
 UNIT "H" 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.
5 1/2"	Production	Set 9450' of 5 1/2" 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 1580 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 control and paper for seepage control.
2850-9000'	8.8-9.5	28-32	NC	Cut Brine and lime for pH control.
9000-9450	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.

APPLICATION TO DRILL

PENWELL ENERGY, INC.
WEST CORBIN "19" FEDERAL #8
UNIT "H" 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 coring or DST'S planned at this time.

13. Potential Hazards:

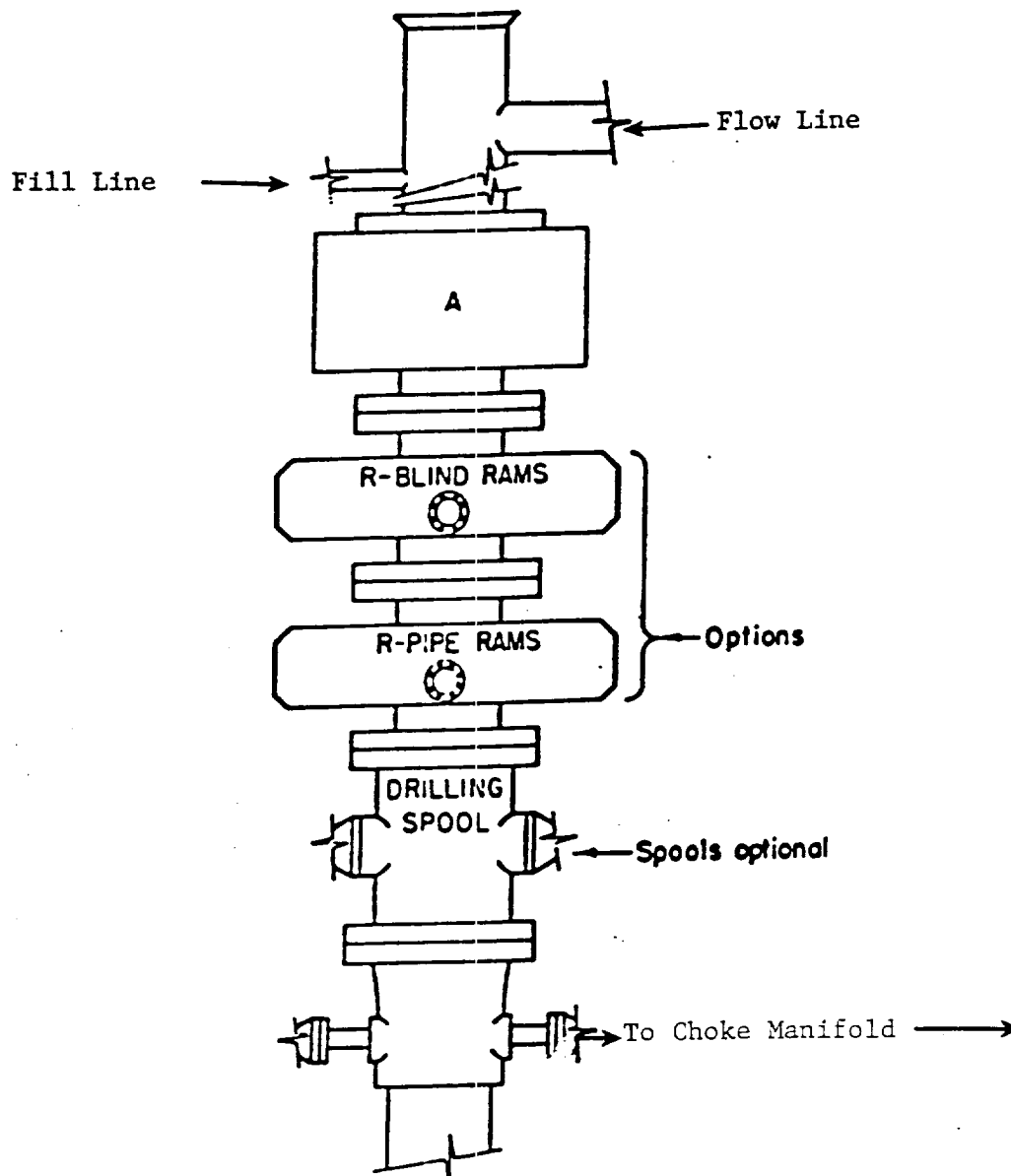
No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3000 PSI, estimated BHT 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 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 #8
UNIT "H" SECTION 19
T18S-R33E LEA CO. NM