



DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

KEN REYNOLDS-PRESIDENT
GARY W. CHAPPELL-VICE PRESIDENT

P. O. Box 1498 ROSWELL, NEW MEXICO 88202-1498
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ROSWELL, NM 505/746-2719
ARTESIA, NM

September 22, 1997

Penwell Energy, Inc.
600 N. Marienfield, Suite 1100
Midland, Texas 79701

RECEIVED
OOD - ARTESIA

RE: Indian Draw "13" #1

Gentlemen:

The following is a Deviation Survey on the above referenced well located in Eddy County, New Mexico.

Table with 7 columns of measurements: 221' - 1/4°, 400' - 1/4°, 779' - 1 1/2°, 850' - 1 1/4°, 1,139' - 4°, 1,171' - 4 1/4°, 1,233' - 4 1/4°, 1,264' - 4°, 1,295' - 5°, 1,323' - 4 1/4°, 1,355' - 4°, 1,418' - 3 3/4°, 1,479' - 3 1/2°, 1,541' - 3 3/4°, 1,601' - 3 1/2°, 1,695' - 3 1/2°, 1,788' - 3°, 1,851' - 3 1/2°, 1,944' - 3°, 1,975' - 2 3/4°, 2,006' - 3°, 2,037' - 2 3/4°, 2,068' - 2 1/4°, 2,130' - 2°, 2,192' - 1°, 2,254' - 3/4°, 2,345' - 1 1/4°, 2,407' - 3/4°, 2,500' - 3/4°, 2,593' - 3/4°, 2,687' - 3/4°, 2,781' - 3/4°, 2,905' - 0°, 3,013' - 1/2°, 3,156' - 3/4°, 3,278' - 1/4°, 3,498' - 1/4°, 3,874' - 0°, 4,208' - 3/4°, 4,498' - 3/4°, 4,780' - 3/4°, 5,235' - 3/4°, 5,710' - 3/4°, 5,850' - 3/4°, 6,311' - 2 1/4°, 6,404' - 3 1/2°, 6,467' - 3 1/2°, 6,529' - 2 3/4°, 6,592' - 2 1/2°, 6,686' - 2 3/4°, 6,748' - 2°, 6,887' - 2°, 7,134' - 2°, 7,228' - 1°, 7,601' - 1°, 8,005' - 3/4°, 8,628' - 1°, 8,955' - 3/4°, 9,382' - 3/4°, 9,869' - 2 1/4°, 10,146' - 1 3/4°, 10,630' - 1°, 10,951' - 3/4°, 11,408' - 1°, 11,906' - 3/4°, 12,295' - 3/4°

Sincerely

[Signature of Gary W. Chappell]
Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO )
COUNTY OF CHAVES )

The foregoing was acknowledged before me this 22nd day of September 1997 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000

[Signature of Debora A. Elliott]

NOTARY PUBLIC