RE-ENTRY PROCEDURE

EXHIBIT E
Charles B. Gillespie, Jr.
Shipp No. 1 Re-Entry
W/2 NE/4 Section 11, T-17-S, R-37-E
Lea County, New Mexico

1. Move in rig, nipple up blowout preventer.
2. Pick up a 6 1/4" non-magnetic drill collar with the bottom hole assembly and drill pipe.
3. Drill top cement plug at 465'.
   Drill cement plug at 2165'.
   Drill cement plug at 4498'.
   Drill cement plug at 6764'.
   Drill cement plug at 8122'.
4. Drill to 8500', drop a magnetic multishot survey tool and trip out of the hole acquiring a survey with each stand of drill pipe pulled from the hole.
5. While out of the hole, run a gyroscopic survey on 100' intervals from the surface to 4498'.
6. Select a sidetrack plugback depth dependent upon survey data (approximately 8500') and set a 300' plug using 120 sacks of Class "H" cement.
7. Wait on cement 24 hours and dress the top of the sidetrack plug with a steel toothed bit to locate the appropriately hard cement.
8. Trip out of the hole and pick up a 7 7/8" diamond sidetrack bit, 5 1/2" mud motor, 2 degree bent sub, 6 1/4" X 30' non-magnetic drill collar and the rest of the steel drill collars.
9. Orient with a surface readout tool and orient to the proposal direction. Approximately 60-70' will be drilled with this assembly.
10. Trip in the hole with a 7 7/8" bit, 7 7/8" IBS, 6 1/4" non-magnetic drill collar, 30' steel collar, 7 7/8" IBS, and the rest of the steel drill collars. Drill with assembly until average angle is obtained.
11. Trip out of the hole and trip back in with a 7 7/8" bit, 7 7/8" IBS, 8' short drill collar, 7 7/8" IBS, 6 1/4" X 30' non-magnetic drill collar, 7 7/8" IBS, and the rest of the steel drill collars. Drill with this assembly to total depth or until a corrective motor run is required to hit the proposed target location.
12. A multishot survey will be run at total depth as required by the New Mexico Oil Conservation Division.