

WELL NAME AND NUMBER Southern Cross 16 State #1
LOCATION Section 16, T-18-S, R-24-E, Eddy County, New Mexico
OPERATOR Penwell Energy, Inc., 600 N. Marienfeld, Suite 1100, Midland, Texas 79701
DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P.O. Drawer 10970, Midland, Texas 79702

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above described well and that he has conducted deviation tests and obtained the following results:

<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>	<u>Degrees @ Depth</u>
<u>.75° @ 1,440'</u>	<u>.50° @ 4,243'</u>	<u> </u>	<u> </u>
<u>1.75° @ 1,757'</u>	<u>.50° @ 4,707'</u>	<u> </u>	<u> </u>
<u>2.00° @ 1,932'</u>	<u>1.00° @ 4,860'</u>	<u> </u>	<u> </u>
<u>1.75° @ 2,065'</u>	<u>1.75° @ 5,200'</u>	<u> </u>	<u> </u>
<u>1.50° @ 2,190'</u>	<u>1.50° @ 5,411'</u>	<u> </u>	<u> </u>
<u>1.75° @ 2,376'</u>	<u>1.50° @ 5,888'</u>	<u> </u>	<u> </u>
<u>1.00° @ 2,501'</u>	<u>1.75° @ 6,340'</u>	<u> </u>	<u> </u>
<u>2.00° @ 2,717'</u>	<u>1.75° @ 6,557'</u>	<u> </u>	<u> </u>
<u>2.00° @ 2,810'</u>	<u>1.00° @ 7,058'</u>	<u> </u>	<u> </u>
<u>1.50° @ 2,963'</u>	<u>.75° @ 7,510'</u>	<u> </u>	<u> </u>
<u>1.00° @ 3,115'</u>	<u>.75° @ 7,807'</u>	<u> </u>	<u> </u>
<u>1.25° @ 3,301'</u>	<u>1.00° @ 8,329'</u>	<u> </u>	<u> </u>
<u>1.00° @ 3,538'</u>	<u>1.00° @ 8,580'</u>	<u> </u>	<u> </u>
<u>1.00° @ 3,793'</u>	<u> </u>	<u> </u>	<u> </u>
<u>1.00° @ 4,009'</u>	<u> </u>	<u> </u>	<u> </u>

Drilling Contractor TMBR/Sharp Drilling, Inc.

By

Jeff Phillips
Jeff Phillips, VP Production

Subscribed and sworn to before me this 27th day of October, 19 97



Kathleen Roper

Notary Public Kathleen Roper

Commission expires: 9/25/99

Midland County, Texas