

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



Commission expires: 9/25/99

Kathleen Roper  
Notary Public

Midland County, Texas