New Mexico Energy, Minerals and Natural Resources Department Oil Conservation Division

Artesia District Office

Gary E. Johnson Governor Jennifer Salisbury Cabinet Secretary

December 1, 1998

Penwell Energy, Inc. 600 north Marienfeld, Suite 1100 Midland, Tx. 79701

Re: Well Placed in Pool

Gentlemen/Madams:

As the result of Division Order R-11067, the following described gas well has been placed in the pool shown below. This change in nomenclature has been made in our files. Please change your records to reflect the proper pool name. All subsequent reports must show this nomenclature until further notice.

Antelope Sink; Atoka Gas Pool

Southern Cross "16" State Com. #1

Unit L, Section 16, Township 18 South, Range 24 East, NMPM

Poolcode: 96827

Transporters are advised by copy of this letter, to change their records to reflect the pool name as established by this order, effective April 1, 1998.

Sincerely,

Buy knub

Bryan Arrant

District Geologist

Cc: GPM

Santa Fe Mae

Well File

811 South 1st Street

Ph: (505) 748-1283