



KEN REYNOLDS-PRESIDENT
GARY W. CHAPPELL-VICE PRESIDENT

DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

P. O. Box 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 505/746-2719
ROSWELL, NM ARTESIA, NM

April 15, 1996

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

RE: Rifleman "7" Federal #1

Gentlemen:

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

270' - 1°	2245' - 0'	3932' - 1°	5926' - 1°
761' - 1°	2731' - 1°	4427' - 1 1/4°	6384' - 1 1/4°
1232' - 1°	3222' - 1°	4975' - 1 1/4°	6809' - 1°
1757' - 1/4°	3434' - 1/2°	5466' - 1 1/4°	7050' - 1°

Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing was acknowledged before me this 15th day of April 1996 by Gary W. Chappell.

MY COMMISSION EXPIRES

October 07, 1996