PENWELL ENERGY, INC.

1100 ARCO BUILDING 600 N. MARIENFELD MIDLAND, TEXAS 79701

OFF: (915) 683-2534 FAX: (915) 683-4514

Penwell proposes to set CIBP @ approximately 9,700' and cap w/35' of cement. ★ Set 100' CMT. plus @ Toc - 8750' € 6000'. Set additional CIBP @ approximately 4,800'. Perforate 4 squeeze holes at approximately 4,780'. Set cement retainer @ approximately 4,750', bring cement behind 5 1/2" production casing up to 2,500' w/600 sks. of class "C" cement.

WOC minimum of 72 hrs. Run CBL and determine TOC. Perforate Delaware and attempt to make commercial oilwell.

* Plugging Mud between all plugs. BGA

Attachment to C-101 State IZ Com. #1. 1880' FNL & 1980' FWL Sec. 31 - T235-R25E Eddy County, New Mexico