Schlumberger Anadrill

MDC Operations 4607 South County Rd. #1310 Odessa, Texas 77477 Phone (915) 563-3057 Fax (915) 563-3059



MAR 0 5 1997

March 3, 1997

Oil Conservation Division District I P.O. Box 1960 Hobbs, New Mexico 88241-1960 OIL CON. DIV. Dist 9

Re: Penwell Energy Inc. F.H. 28 State Com. #2. Lot K, Section 28, Township 23 S, Range 26 E Eddy County, New Mexico API # 30-015-29270

Enclosed, please find the original and one copy of the survey performed on the referenced well by Anadrill, a division of Schlumberger Technology Corporation. Other information required by your office is as follows:

Name & Title of Surveyor	Drainhole Number	Surveyed Depths	Dates Performed	Type of Survey
James Cockroft MWD I	#01	9657' to 10424'	1/5/97 - 1/14/97	MWD/D&I

A certified plat on which the bottom hole is oriented both to the surface location and to the lease lines ( or unit lines in case of pooling) is attached to the survey report. If any other information is required, please contact the undersigned at the letterhead address and phone number.

Sincerely,

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Tom Follis MWD Field Service Manager

Cc: Penwell Energy Inc.

Enclosures: 2