

PENWELL ENERGY, INC.  
ORE IDA "14" FEDERAL #13  
APPLICATION FOR PERMIT TO DRILL

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12. TESTING, LOGGING AND CORING PROGRAM:

- A. CNL-FDC, Gamma Ray , Caliper from TD to base of intermediate casing.
- B. AIT-Dual Laterolog - Micro SFL from TD to base of intermediate casing.
- C. Gamma Ray, Neutron, Caliper to surface.
- D. Mud logger on from 2800' to TD. (Two man unit)
- E. Side wall cores taken between 3100 to 6700' in Delaware where shows occur.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H<sub>2</sub>S detectors will be in place to detect any presence. No lost circulation is expected to occur. All personnel will be familiar with all aspects of safe operation of equipment being used. Estimated BHP 3900 psi, estimated BHT 185°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after BLM approval of APD. Anticipated spud date is February 10, 1997. Drilling is expected to take 18 - 24 days. If production casing is run an additional 30 days will be required to complete and construct surface facilities.

15. OTHER FACETS OF OPERATIONS:

After running casing, cased hole gamma ray neutron collar logs will be run from total depth over possible pay intervals. The Bone Spring pay will be perforated and stimulated. The well will be swab tested and potentialed as an oil well.