

PENWELL ENERGY, INC.
CHECKERS "24" FEDERAL #5
APPLICATION FOR PERMIT TO DRILL

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12. TESTING, LOGGING AND CORING PROGRAM:

- A. Gamma Ray - Surface casing to T.D.
- B. CNL-LDT,DLL-MFL - Below 4600' to T. D.
- C. Coring - Sidewall only
- D. DST'S - None Anticipated
- E.

13. POTENTIAL HAZARDS:

No abnormal pressures or temperatures are expected. Hydrogen Sulfide gas may be encountered, H₂S 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 3000 psi, estimated BHT 141°.

14. ANTICIPATED STARTING DATE AND DURATION OF OPERATION:

Road and location construction will begin after BLM approval of APD. Anticipated spud date is November 1, 1996. Drilling is expected to take 18 days. If production casing is run an additional 10 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 Springs pay will be perforated and stimulated. The well will be swab tested and potentialed as a oil well.