

WELL NAME AND NUMBER GRACE FEDERAL #1-1R

LOCATION SEC. 1; T23N; R7W RIO ARriba COUNTY, NEW MEXICO
(New Mexico give U, S, T, & R; Texas give S, Blk., Sur. & Twp. when required.)

OPERATOR BANNON ENERGY INC.

DRILLING CONTRACTOR AZTEC WELL SERVICING CO., INC.

The undersigned hereby certifies that he is an authorized representative of the drilling contractor who drilled the above-described well and that he has conducted deviation tests and obtained the following results:

Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
<u>1/2° @ 128'</u>	<u>1 1/2° @ 3315'</u>	<u> </u>	<u> </u>
<u>1/2° @ 300'</u>	<u>1 3/4° @ 3809'</u>	<u> </u>	<u> </u>
<u>3/4° @ 900'</u>	<u>2 1/4° @ 4337'</u>	<u> </u>	<u> </u>
<u>2 3/4° @ 1397'</u>	<u>2 1/4° @ 4428'</u>	<u> </u>	<u> </u>
<u>4 1/2° 1613'</u>	<u>2 1/4° @ 4928'</u>	<u> </u>	<u> </u>
<u>4 3/4° @ 1645'</u>	<u>2 1/2° @ 5413'</u>	<u> </u>	<u> </u>
<u>4 1/4° @ 1710'</u>	<u>2 1/2° @ 5600'</u>	<u> </u>	<u> </u>
<u>4 1/4° @ 1771'</u>	<u> </u>	<u> </u>	<u> </u>
<u>4 1/4° @ 1832'</u>	<u> </u>	<u> </u>	<u> </u>
<u>4 1/4° @ 1895'</u>	<u> </u>	<u> </u>	<u> </u>
<u>3 1/2° @ 1957'</u>	<u> </u>	<u> </u>	<u> </u>
<u>4° @ 2050'</u>	<u> </u>	<u> </u>	<u> </u>
<u>4° @ 2139'</u>	<u> </u>	<u> </u>	<u> </u>
<u>4 1/4° @ 2386'</u>	<u> </u>	<u> </u>	<u> </u>
<u>3 1/2° @ 2849'</u>	<u> </u>	<u> </u>	<u> </u>

RECEIVED

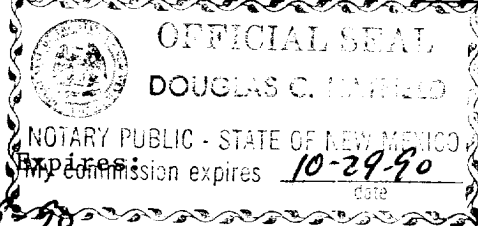
SEP 20 1989

OIL CON.
DIST.

Drilling Contractor AZTEC WELL SERVICING CO., INC.

By Richard Peterson

Subscribed and sworn to before me this 19th day of September, 19 89



My Commission Expires: 10-29-90

Douglas C. Hatfield
Notary Public

SAN JUAN County, NEW MEXICO