DEVIATION REPORT

| Name of Company | | | Ad | Address | | | |
|---------------------------------|----------------------|----------|--|----------|----------|-------|--|
| Meridian Oil Lease Well No. III | | | P.O. Box 4289 Farmington, NM 87499 Jnit Letter Section Township Range | | | | |
| Lease | | Well No. | Unit Letter | Section | Township | Range | |
| | Atlant¢¢ D Com | 205 | В | 23 | 031-N | 010-W | |
| Pool | | County | | | | | |
| | Basin Fruitland Coal | | Sa | San Juan | | | |

| Depth (Ft.) | Deviation (Degrees) |
|--------------|---------------------|
| 250 ' | 1/2 deg |
| 654' | 1/2 deg |
| 1206' | 3/4 deg |
| 1728' | 3/4 deg |
| 2209' | 3/4 deg |
| 2453' | 1/2 deg |
| 2953' | 1/2 deg |



| I, the undersigned, certify that I, acting in my capacity as Petroleum Engineer of Meridian Oil, am authorized by said Company to make this report; and that this report was prepared by me or under my supervision and directions and that the facts stated herein are true to the best of my knowledge and belief. |
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| Ja Main |
| |
| Subscribed and sworn to before me this 6th day of June , 1989 |
| Notary Public in and for San Juan County, New Mexico |
| My Commission expires August 17, 1992 |