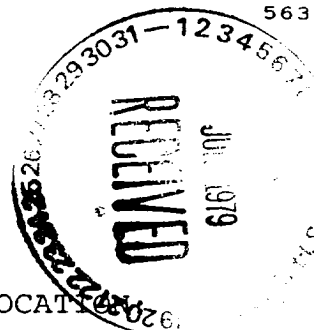




FORSTER DRILLING CO., INC.

5502 W INDUSTRIAL
P. O. BOX 3526
MIDLAND, TEXAS 79702

AMERICAN
697-3166
563-0221



INCLINATION REPORT

OPERATOR:

Estoril Producing Corporation
1120 Vaughn Building
Midland, Texas 79701


LOCATION:

Union Federal No. 1
Lea County, New Mexico

DEPTH FEET	INCLINATION DEGREES	DEPTH FEET	INCLINATION DEGREES	DEPTH FEET	INCLINATION DEGREES
150	3/4	7,215	1 1/4		
300	1/2	7,660	3/4		
458	1/2	8,160	1		
665	1/4	8,660	1		
853	1/4	8,991	1 1/4		
1,345	3/4	9,491	3/4		
1,696	1	9,660	3/4		
1,994	3/4	10,160	3/4		
2,470	3/4	10,660	3/4		
2,968	2	10,983	3/4		
3,323	2 1/4	11,483	1		
3,823	2	11,983	1 3/4		
4,323	2	12,362	1 3/4		
4,823	2	12,710	1 3/4		
5,215	2	13,210	2		
5,715	1 1/2	13,377	2 3/4		
6,215	1 1/2	13,600	2 1/4		
6,715	1 1/2				

COUNTY OF MIDLAND
STATE OF TEXAS

The undersigned states that he has knowledge of the facts and matter herein set forth and that the same are true and correct.


L.E. Grimes, Vice President

SUBSCRIBED AND SWORN TO BEFORE ME THIS 7th DAY OF June 1979


Notary Public

My Commission Expires: March 7 1980