



DRILLING INC. Oil Well Drilling Contractor

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June 6, 2006

Fasken Oil & Ranch, LTD
~~P.O. Box 4799~~ 803 W. Wall, Suite 1800
Midland, TX ~~79704~~ 79701

Re: Pegasus "10" Fed #1
Section 10, T-21-S, R-24-E
Eddy County, New Mexico

Attn: Tommy Taylor

The following is a Deviation Survey on the above referenced well in Eddy County, New Mexico:

381' - 1°	3703 - 1/2°	7101' - 1/2°	9030' - 2°
794' - 3/4°	4123' - 1 1/4°	7569' - 1/2°	9250' - 2°
1159' - 1/4°	4499' - 1 1/2°	8059' - 2°	9594' - 2°
1597' - 1°	4998' - 1 1/2°	8499' - 2 1/2°	10,075' - 1 1/4°
2034' - 1°	5423' - 1°	8654' - 2°	
2504' - 3/4°	5788' - 1°	8811' - 3 1/2°	
2985' - 1 1/2°	6257' - 1°	8842' - 3°	
3328' - 1/4°	6633' - 1 1/2°	8905' - 1°	

Sincerely,

Gary W Chappell
Contracts Manager

STATE OF NEW MEXICO)
)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 6th day of June, 2006 by Gary W Chappell.

MY COMMISSION EXPIRES

June 19, 2007

NOTARY PUBLIC