

DRILLING INC. Oil Well Drilling Contractor

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February 19, 2009

CHI Operating, Inc.
P.O. Box 1799
Midland, Texas 79704-1799

Re: KC Strip State #2
Sec. 32, T-18-S, R-31-E
Eddy County, New Mexico

Attn: Gary Womack

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

198' - 0.5°	4340' - 0.75°	8740' - 1°
407' - 0.75°	4714' - 0.75°	9112' - 1°
647' - 1.25°	5183' - 0.5°	9487' - 1°
878' - 1°	5651' - 0.5°	9956' - 0.5°
1347' - 1°	5995' - 0.75°	10424' - 0.75°
1753' - 0.75°	6463' - 1.25°	10860' - 1°
2219' - 1°	6898' - 1.75°	11298' - 1°
2468' - 1.5°	7024' - 1°	11308' - 1.25°
2718' - 1.5°	7397' - 0.5°	11810' - 1°
2965' - 1.5°	7866' - 1.5°	12249' - 1.5°
3213' - 1.25°	8052' - 2°	
3461' - 1.75°	8178' - 2°	
3648' - 1°	8303' - 1.75°	
4019' - 1.5°	8491' - 1.25°	

Sincerely,

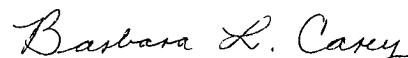

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
COUNTY OF EDDY)

The foregoing was acknowledged before me this 19th day of February, 2009 by Gary W. Chappell.

MY COMMISSION EXPIRES

Sept 11, 2009



NOTARY PUBLIC