INCLINATION REPORT

OPERATOR Agua, Inc. ADDRESS P.O. Box 1978, Hobbs, New Mexico 88240

LEASE NAME Blinebry Drinkard SWD #N-18 WELL NO. N-18 FIELD

LOCATION Section 18, T-22S, R-37E, Lea County, New Mexico

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
328	1/2	2.8536	2.8536
800	1/2	4.1064	6.9600
1290	1/2	4.2630	11.2230
1800	1/2	4.4370	15.6600
2204	2	14.0996	29.7596
2700	2	17.3104	47.0700
2880	2	6.2820	53.3520
3317	2 1/2	19.0532	72.4052
4120	1 1/2	21.0386	93.4438
4490	1 1/2	9.6940	103.1378

I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

CACTUS DRILLING COMPANY

Garlin Taylor

TITLE Garlin Taylor, Admn. Asst.

AFFIDAVIT:

Before me, the undersigned authority, appeared Garlin Taylor known to me to be the person whose name is subscribed herebelow, who, on making deposition, under oath states that he is acting for and in behalf of the operator of the well identified above, and that to the best of his knowledge and belief such well was not intentionally deviated from the true vertical whatsoever.

Garlin Taylor

AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 12th day of September, 1977

MY COMMISSION EXPIRES MARCH 1, 1980

Notary Public in and for the County of Lea, State of New Mexico

SEAL

WELL DATA

FOR

SUBSURFACE DISPOSAL

(1) Name and Number of Disposal Well: AGUA, INC. Blinebry-Drinkard Salt Water Disposal Well No. N-18

Location of Disposal Well: 1150' FSL & 2250' FWL of 18-22-37, Lea County, New Mexico

Permit Number: NMOCC Order No. SWD-184

Ownership of surface: State of New Mexico

Ownership of minerals: Amerada Hess Corporation

(2) Injection formation and interval: San Andres

(3) Disposal Well data:

	Surface Casing	Intermediate Csg.	Long Casing
Size	9-5/8"	None	7"
Weight	36#	None	20#
Grade	K-55	None	K-55
Depth set	315' (GL)	None	3900'
Type cement & additives	Class "C" w/2% CaCl	None	Halliburton Lite + Class "C"
Amount of cement	200 sx.	None	1850 sx.
Top of cement	Circ. to surface	None	Circ. to surface

(4) Total Depth: TD 4998'

(5) Completion Method:

Tubing Size & Type: 5-1/2", 15.5#, K-55, R-3 (internally plastic-coated)

Packer Type: None

Packer Depth: None

Anticipated Injection Pressure: Vacuum

Fluid Additives in Casing-Tubing Annulus: Oil

(6) Plans for monitoring the disposal well to assure that injection is confined to the injection interval and measures to be taken should it be necessary to shut in an individual disposal well:

1. Periodic temperature and/or radioactive tracer surveys will be run down the bore hole to monitor the exit of waste fluids into the subsurface injection interval.
2. Waste fluids handled by the Disposal System can be diverted, pumped or trucked to various Disposal Wells in the System.
3. Emergency pits at each Disposal Well in the System.