

30-015-37987

CAVALOZ DRILLING INC.

P.O. BOX 1500 (575) 3910699 FAX (575) 391- 3824 HOBBS, NEW MEXICO 88241

INCLINATION REPORT

DATE: 8/6/2010

WELL NAME AND NUMBER MUNCHKIN FEDERAL #21
 LOCATION EDDY COUNTY
 OPERATOR: CHI ENERGY
 DRILLING CONTRACTOR: CAVALOZ DRILLING INC.



THE UNDERSIGNED HEREBY CERTIFIES THAT HE IS AN AUTHORIZED REPRESENTATIVE OF THE DRILLING CONTRACTOR WHO DRILLED THE ABOVE DESCRIBED WELL AND THAT HE HAS CONDUCTED DEVIATION TEST AND OBTAINED THE FOLLOWING RESULTS:

DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH
<u>0.49</u>	<u>148</u>	<u>0.71</u>	<u>2548</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.29</u>	<u>300</u>	<u>0.78</u>	<u>2801</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.29</u>	<u>465</u>	<u>0.65</u>	<u>3165</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>2.12</u>	<u>685</u>	<u>0.48</u>	<u>3368</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.87</u>	<u>777</u>	<u>0.76</u>	<u>3685</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.58</u>	<u>997</u>	<u>0.81</u>	<u>3936</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.26</u>	<u>1346</u>	<u>0.6</u>	<u>3975</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.1</u>	<u>1630</u>	<u>0.76</u>	<u>4466</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>1.05</u>	<u>1985</u>	<u>0.92</u>	<u>4874</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>0.88</u>	<u>2228</u>	<u>0.75</u>	<u>5228</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

DRILLING CONTRACTOR:
CAVALOZ DRILLING

BY: Bob Wegner
BOB WEGNER
DRILLING SUPERINTENDENT

SUBSCRIBED AND SWORN TO BEFORE ME ON THE 10th DAY OF August, 2010

MY COMMISSION EXPIRES:

03/01/11Jessica Bueno

OFFICIAL SEAL
JESSICA BUENO
NOTARY PUBLIC - STATE OF NEW MEXICO

My commission expires: 03/01/11M2