

**STATE OF NEW MEXICO  
OIL AND GAS DIVISION**

**INCLINATION REPORT**

|            |                                   |                          |
|------------|-----------------------------------|--------------------------|
| FIELD NAME | LEASE NAME<br><b>PATTERSON EI</b> | WELL NUMBER<br><b>#3</b> |
|------------|-----------------------------------|--------------------------|

|                                                |                           |
|------------------------------------------------|---------------------------|
| OPERATOR<br><b>YATES PETROLEUM CORPORATION</b> | COUNTY<br><b>EDDY, NM</b> |
|------------------------------------------------|---------------------------|

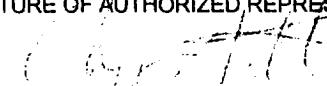
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| ADDRESS |
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|          |
|----------|
| LOCATION |
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**RECORD OF INCLINATION**

| MEASURED DEPTH<br>FEET | COURSE LENGTH<br>HUNDREDS OF<br>FEET | ANGLE OF INCLINATION<br>DEGREE | DISPLACEMENT PER<br>HUNDRED FEET | COURSE<br>DISPLACEMENT<br>FEET | ACCUMULATIVE<br>DISPLACEMENT |
|------------------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------|------------------------------|
| 338                    | 3.38                                 | 0.75                           | 1.31                             | 4.42                           | 4.42                         |
| 810                    | 4.72                                 | 1.00                           | 1.75                             | 8.24                           | 12.66                        |
| 1274                   | 4.64                                 | 1.00                           | 1.75                             | 8.10                           | 20.76                        |
| 1365                   | 0.91                                 | 1.50                           | 2.62                             | 2.38                           | 23.14                        |
| 1615                   | 2.50                                 | 1.50                           | 2.62                             | 6.54                           | 29.69                        |
| 2108                   | 4.93                                 | 1.25                           | 2.18                             | 10.75                          | 40.44                        |
| 2546                   | 4.38                                 | 1.75                           | 3.05                             | 13.38                          | 53.82                        |
| 2796                   | 2.50                                 | 1.50                           | 2.62                             | 6.54                           | 60.36                        |
| 3045                   | 2.49                                 | 1.50                           | 2.62                             | 6.52                           | 66.88                        |
| 3264                   | 2.19                                 | 1.50                           | 2.62                             | 5.73                           | 72.61                        |
| 3763                   | 4.99                                 | 0.75                           | 1.31                             | 6.53                           | 79.14                        |
| 4256                   | 4.93                                 | 1.50                           | 2.62                             | 12.91                          | 92.05                        |
| 4410                   | 1.54                                 | 2.00                           | 3.49                             | 5.37                           | 97.42                        |
| 4535                   | 1.25                                 | 1.25                           | 2.18                             | 2.73                           | 100.15                       |
| 4660                   | 1.25                                 | 2.50                           | 4.36                             | 5.45                           | 105.60                       |
| 4722                   | 0.62                                 | 1.25                           | 2.18                             | 1.35                           | 106.96                       |
| 4846                   | 1.24                                 | 2.00                           | 3.49                             | 4.33                           | 111.28                       |
| 4970                   | 1.24                                 | 2.00                           | 3.49                             | 4.33                           | 115.61                       |
| 5157                   | 1.87                                 | 2.25                           | 3.93                             | 7.34                           | 122.95                       |
| 5343                   | 1.86                                 | 1.50                           | 2.62                             | 4.87                           | 127.82                       |
| 5530                   | 1.87                                 | 1.00                           | 1.75                             | 3.26                           | 131.08                       |
| 5871                   | 3.41                                 | 1.00                           | 1.75                             | 5.95                           | 137.04                       |
| 6369                   | 4.98                                 | 0.75                           | 1.31                             | 6.52                           | 143.55                       |
| 6856                   | 4.87                                 | 1.00                           | 1.75                             | 8.50                           | 152.05                       |
| 7288                   | 4.32                                 | 1.00                           | 1.75                             | 7.54                           | 159.59                       |
| 7761                   | 4.73                                 | 1.50                           | 2.62                             | 12.38                          | 171.97                       |
| 8012                   | 2.51                                 | 1.00                           | 1.75                             | 4.38                           | 176.36                       |
| 8449                   | 4.37                                 | 1.25                           | 2.18                             | 9.53                           | 185.89                       |
| 8780                   | 3.31                                 | 1.50                           | 2.62                             | 8.66                           | 194.55                       |
|                        | -87.80                               |                                | 0.00                             | 0.00                           | 194.55                       |
|                        | 0.00                                 |                                | 0.00                             | 0.00                           | 194.55                       |
|                        | 0.00                                 |                                | 0.00                             | 0.00                           | 194.55                       |
|                        | 0.00                                 |                                | 0.00                             | 0.00                           | 194.55                       |

THIS INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

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|-------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| SIGNATURE OF AUTHORIZED REPRESENTATIVE<br> | NAME OF COMPANY<br><b>KEY ENERGY DRILLING, INC.</b> |
| NAME OF PERSON AND TITLE<br><b>CHOYR GILBERT - CONTRACT MANAGER</b>                                                           | TELEPHONE NUMBER<br><b>(915) 570-0494</b>           |