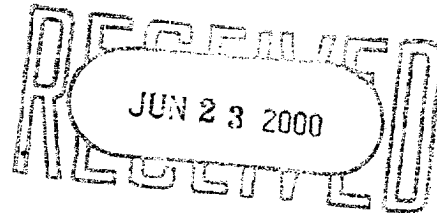




KEY ENERGY DRILLING, INC.  
P.O. Box 1295  
Midland, Texas 79702  
Phone 915-570-0494  
Fax 915-570-0465



To Whom It May Concern:

RE: STATE OF NEW MEXICO  
OIL AND GAS DIVISION  
INCLINATION REPORT

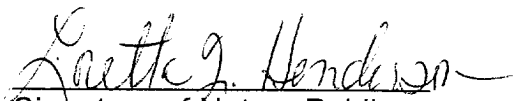
Lease Name: CABEZA AUD FED COM  
Well Number: #1  
County/State: EDDY NM  
Operator: YATES PETROLEUM CORPORATION  
Address: 105 SOUTH 4<sup>TH</sup> STREET  
Location: ARTESIA NM 88210

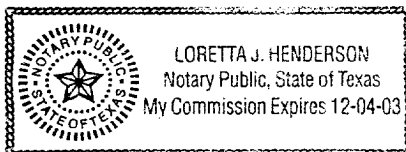
I, **CHOYR GILBERT**, Contract Manager for Key Energy Drilling, Inc., PO Box 1295, Midland, TX 79702, declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on this form and that such data and facts are true, correct, and complete to the best of my knowledge.

Sworn to and Subscribed Before Me by the said

  
CHOYR GILBERT  
Contract Manager

This the 22 day of June, 2000

  
Signature of Notary Public  
In and for the State of Texas



LORETTA J. HENDERSON  
Print Name of Notary Public

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

**INCLINATION REPORT**

|            |                           |             |
|------------|---------------------------|-------------|
| FIELD NAME | LEASE NAME                | WELL NUMBER |
|            | <b>CABEZA AUD FED COM</b> | <b>#1</b>   |

|                             |                |
|-----------------------------|----------------|
| OPERATOR                    | COUNTY         |
| <b>YATES PETROLEUM CORP</b> | <b>EDDY NM</b> |

|                                               |
|-----------------------------------------------|
| ADDRESS                                       |
| <b>105 SOUTH 4TH STREET, ARTESIA NM 88210</b> |

|          |
|----------|
| LOCATION |
|          |

**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 |
|------------------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------|------------------------------|
| 200                    | 2.00                                 | 0.50                           | 0.87                             | 1.75                           | 1.75                         |
| 570                    | 3.70                                 | 0.50                           | 0.87                             | 3.23                           | 4.97                         |
| 998                    | 4.28                                 | 1.00                           | 1.75                             | 7.47                           | 12.44                        |
| 1499                   | 5.01                                 | 0.75                           | 1.31                             | 6.56                           | 19.00                        |
| 1999                   | 5.00                                 | 1.00                           | 1.75                             | 8.73                           | 27.73                        |
| 2469                   | 4.70                                 | 0.50                           | 0.87                             | 4.10                           | 31.83                        |
| 3007                   | 5.38                                 | 0.50                           | 0.87                             | 4.69                           | 36.52                        |
| 3507                   | 5.00                                 | 0.50                           | 0.87                             | 4.36                           | 40.89                        |
| 4101                   | 5.94                                 | 1.25                           | 2.18                             | 12.96                          | 53.85                        |
| 4289                   | 1.88                                 | 1.00                           | 1.75                             | 3.28                           | 57.13                        |
| 4727                   | 4.38                                 | 1.75                           | 3.05                             | 13.38                          | 70.50                        |
| 4912                   | 1.85                                 | 1.00                           | 1.75                             | 3.23                           | 73.73                        |
| 5194                   | 2.82                                 | 1.00                           | 1.75                             | 4.92                           | 78.65                        |
| 5476                   | 2.82                                 | 0.75                           | 1.31                             | 3.69                           | 82.34                        |
| 5726                   | 2.50                                 | 0.50                           | 0.87                             | 2.18                           | 84.53                        |
| 6039                   | 3.13                                 | 1.75                           | 3.05                             | 9.56                           | 94.08                        |
| 6165                   | 1.26                                 | 2.50                           | 4.36                             | 5.50                           | 99.58                        |
| 6259                   | 0.94                                 | 2.25                           | 3.93                             | 3.69                           | 103.27                       |
| 6356                   | 0.97                                 | 2.00                           | 3.49                             | 3.39                           | 106.66                       |
| 6444                   | 0.88                                 | 2.50                           | 4.36                             | 3.84                           | 110.49                       |
| 6569                   | 1.25                                 | 2.25                           | 3.93                             | 4.91                           | 115.40                       |
| 6662                   | 0.93                                 | 2.50                           | 4.36                             | 4.06                           | 119.46                       |
| 6787                   | 1.25                                 | 2.75                           | 4.80                             | 6.00                           | 125.46                       |
| 6942                   | 1.55                                 | 2.50                           | 4.36                             | 6.76                           | 132.22                       |
| 7067                   | 1.25                                 | 2.50                           | 4.36                             | 5.45                           | 137.67                       |
| 7224                   | 1.57                                 | 3.00                           | 5.23                             | 8.22                           | 145.89                       |
| 7348                   | 1.24                                 | 2.75                           | 4.80                             | 5.95                           | 151.84                       |
| 7474                   | 1.26                                 | 2.75                           | 4.80                             | 6.05                           | 157.88                       |
| 7631                   | 1.57                                 | 3.00                           | 5.23                             | 8.22                           | 166.10                       |
| 7738                   | 1.07                                 | 2.75                           | 4.80                             | 5.13                           | 171.23                       |
| 7850                   | 1.12                                 | 2.75                           | 4.80                             | 5.37                           | 176.60                       |
| 8005                   | 1.55                                 | 2.75                           | 4.80                             | 7.44                           | 184.04                       |
| 8193                   | 1.88                                 | 3.00                           | 5.23                             | 9.84                           | 193.88                       |
| 8287                   | 0.94                                 | 2.75                           | 4.80                             | 4.51                           | 198.39                       |
| 8412                   | 1.25                                 | 3.00                           | 5.23                             | 6.54                           | 204.93                       |
| 8600                   | 1.88                                 | 3.00                           | 5.23                             | 9.84                           | 214.77                       |
| 8787                   | 1.87                                 | 3.50                           | 6.10                             | 11.42                          | 226.19                       |
| 8943                   | 1.56                                 | 3.00                           | 5.23                             | 8.16                           | 234.35                       |
| 9069                   | 1.26                                 | 2.75                           | 4.80                             | 6.05                           | 240.40                       |
| 9336                   | 2.67                                 | 1.75                           | 3.05                             | 8.15                           | 248.55                       |
| 9596                   | 2.60                                 | 1.75                           | 3.05                             | 7.94                           | 256.49                       |

