

INCLINATION REPORT

23-Mar-89

OPERATOR: Meridian Oil, Inc.
ADDRESS: 21 Desta Drive
Midland, Texas 79702

WELL NAME: Apache Federal No. 2
LOCATION: Section 35, T-19-S, R-29-E
COUNTY/STATE: Eddy County, New Mexico

RECORD OF INCLINATION

MEASURED DEPTH (feet)	COURSE LENGTH	ANGLE OF INCLINATION (Degrees)	DISPLACEMENT PER HUNDRED FEET (Sine of Angle X100)	COURSE DISPLACEMENT (feet)	ACCUMULATIVE DISPLACEMENT (feet)
369	369	0.50	0.88	3.23	3.23
850	481	1.50	2.63	12.63	15.86
1130	282	2.00	3.50	9.87	25.73
1290	158	1.75	3.06	4.84	30.56
1542	252	1.25	2.19	5.51	36.08
1800	258	1.50	2.63	6.77	42.85
2777	429	0.75	1.31	5.63	48.48
2786	557	1.00	1.75	9.75	58.23
3777	414	1.00	1.75	7.25	65.47
3684	484	1.00	1.75	8.47	73.94
4200	524	0.75	1.31	6.88	80.82
4500	292	1.00	1.75	5.11	85.93

Accumulative total displacement at well bore at total depth of 4,500 feet = 85.93 feet.

Inclination measurements were made in - Tubing Casing Open Hole X Drill Pipe.

At no time was the subject well intentionally deviated from the vertical in any manner whatsoever.

INCLINATION DATA CERTIFICATION

I 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.

M. D. Mosley
Signature of Authorized Representative

M. D. Mosley, Vice President Drilling Operations
Name of Person and Title

TOT Drilling Corporation
Name of Company

Telephone: (915) 367-7361 or (915) 563-1948

SEAL

Subscribed and sworn before me this 23rd Day of March, 1989.

Elizabeth A. Knight
Notary Public for the State of Texas
My Commission Expires June 10, 1989