

INCLINATION REPORT		
(One Copy Must Be Filed With Each Completion Report)		
1. FIELD NAME <u>Shugart Delaware East</u>	2. LEASE NAME <u>ESDU</u>	8. Well Number  <b>20</b>
3. OPERATOR <b>NANCE PETROLEUM</b>		10. County  <u>Eddy NM</u>
4. ADDRESS <b>P. O. BOX 7168</b>		
<b>BILLINGS, MT. 59103</b>		
5. LOCATION (Section, Block, and Survey) <u>Sec. 24 T18S R31E</u>		

### RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle x 100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
291	2.91	0.75	1.31	3.81	3.81
558	2.67	0.25	0.44	1.17	4.99
920	3.62	0.75	1.31	4.74	9.73
1,261	3.41	0.75	1.31	4.47	14.20
1,701	4.40	0.75	1.31	5.76	19.96
2,139	4.38	1.75	3.05	13.36	33.32
2,232	0.93	1.25	2.18	2.03	35.35
2,391	1.59	1.25	2.18	3.47	38.81
2,548	1.57	1.00	1.75	2.75	41.56
2,830	2.82	0.75	1.31	3.69	45.25
3,140	3.10	0.50	0.87	2.70	47.95
3,579	4.39	0.75	1.31	5.75	53.70
4,012	4.33	1.00	1.75	7.58	61.28
4,443	4.31	0.75	1.31	5.65	66.93
4,915	4.72	1.00	1.75	8.26	75.19
5,306	3.91	1.25	2.18	8.52	83.71
5,550	2.44	0.50	0.87	2.12	85.83

If additional space is needed, use the reverse side of this form.

17. Is any information shown on reverse side of this form? ☐ Yes ☒ No
18. Accumulative total displacement of well bore at total depth of \_\_\_\_\_ feet = \_\_\_\_\_ feet
- \*19. Inclination measurements were made in : ☐ Logging ☐ Casing ☐ Open Hole ☒ Drill Pipe
20. Distance from surface location of well to the nearest lease line..... feet.
21. Minimum distance to lease line as prescribed by field rules..... feet.
22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever?  
(If the answer to the above question is "yes", attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION	OPERATOR CERTIFICATION
<p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.</p> <p></p> <p>Signature of Authorized Representative <b>Henry McElroy, Drilling Superintendent</b></p> <p>Name of Person and Title (type or print) <b>Big Dog Drilling</b></p> <p>Name of Company <b>(915) 570-7355</b></p> <p>Area Code</p>	<p>I declare under penalties prescribed in Sec. 91.143, Texas Natural Resources Code, that I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.</p> <p></p> <p>Signature of Authorized Representative <b>Herb Thackeray Operations Engineer</b></p> <p>Name of Person and Title (type or print) <b>Operator</b></p> <p>Telephone: <b>406</b> <b>245-6248</b></p> <p>Area Code</p>