

WELL NAME AND NUMBER Big Red Federal Com #1

LOCATION Section 30, T-18-S, R-31-E, Eddy County, New Mexico

OPERATOR Chi Energy Inc., 212 N. Main, Suite 200, Midland, Texas 79701

DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702

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 tests and obtained the following results:

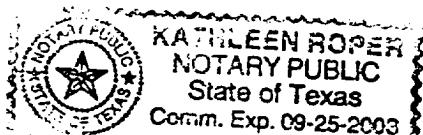
Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
.50 @ 134'	1.00 @ 3,187'	1.00 @ 6,090'	.75 @ 9,192'
.25 @ 289'	.50 @ 3,454'	.75 @ 6,341'	1.00 @ 9,215'
1.25 @ 485'	.50 @ 3,737'	.75 @ 6,592'	1.50 @ 9,412'
1.25 @ 604'	1.00 @ 3,987'	.75 @ 6,842'	1.00 @ 9,568'
1.00 @ 726'	.75 @ 4,237'	2.50 @ 7,092'	.75 @ 9,755'
.75 @ 815'	.75 @ 4,523'	.75 @ 7,341'	1.25 @ 9,942'
1.00 @ 1,000'	1.00 @ 4,743'	.75 @ 7,438'	1.50 @ 10,130'
.75 @ 1,189'	1.75 @ 4,931'	.75 @ 7,561'	2.00 @ 10,317'
1.50 @ 1,937'	2.00 @ 5,025'	.75 @ 7,813'	1.50 @ 10,400'
.75 @ 2,062'	1.75 @ 5,120'	.75 @ 7,939'	1.50 @ 10,525'
.25 @ 2,249'	1.75 @ 5,276'	1.00 @ 8,219'	1.25 @ 10,745'
1.00 @ 2,437'	1.75 @ 5,432'	.75 @ 8,469'	.75 @ 10,963'
.50 @ 2,624'	1.25 @ 5,589'	1.25 @ 8,720'	1.25 @ 11,298'
.50 @ 2,812'	1.25 @ 5,745'	1.00 @ 8,846'	.75 @ 11,403'
.50 @ 3,000'	1.25 @ 5,934'	1.00 @ 8,972'	.75 @ 11,654'

Drilling Contractor TMBR/Sharp Drilling, Inc.

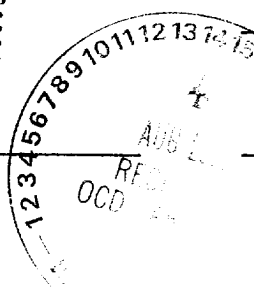
By

Jeffrey D. Phillips, President

Subscribed and sworn to before me this 19th day of April 2002



Commision expires: 9/25/03



Kathleen Roper
Notary Public

Kathleen Roper

Midland

County, Texas

OPERATOR Chi Energy Inc., 212 N. Main, Suite 200, Midland, Texas 79701

DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702

[illegible]

Drilling Contractor TMBR/Sharp Drilling, Inc.

By Jeffrey D. Phillips
Jeffrey D. Phillips, President

Subscribed and sworn to before me this 19th day of April 2002

Kathleen Roper
Notary Public Kathleen Roper

Commission expires: 9/25/03

Midland County, Texas

