LOCATION Section 16, T-21-S, R-29-E, Eddy County, New Mexico

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

DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P D. Drawer 10970, Midland, Texas 79702

The undersigned herby 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
1.00° @ 235'	.75° @ 2,177'	.75° @ 5,869'	.75° @ 9,686'
1.25° @ 505'	1.50° @ 2,365'	.75° @ 6,245'	1.50° @ 10,167'
2.25° @ 659'	2.00° @ 2,490'	.75° @ 6,621'	1.00° @ 10,636'
2.00° @ 749'	1.25° @ 2,553	.75° @ 6,932'	.75° @ 11,105'
2.25° @ 839'	.75° @ 2,616'	1.00° @ 7,029'	.25° @ 11,422'
2.25° @ 929'	.50° @ 2,710'	.75° @ 7,342'	.75° @ 11,574'
2.25° @ 1,040'	.25° @ 3,050'	1.25° @ 7,561'	.75° @ 12,077'
1.75° @ 1,110'	.75° @ 3,173'	.50° @ 7,687'	1.00° @ 12,455'
1.00° @ 1,236'	.25° @ 3,337'	.50° @ 7,842'	1.50° @ 13,000'
.50° @ 1,361'	.50° @ 3,589'	.25° @ 7,938'	
.50° @ 1,517'	.50° @ 3,892'	.50° @ 8,157'	
1.25° @ 1,74'	.25° @ 4,144'	.75° @ 8,407'	
1.00° @ 1,769'	.25° @ 4.364'	1.00° @ 8,689'	
1.00° @ 1.863'	.25° @ 4,710'	1.00° @ 8,972'	
1,00° @ 1,988'	25° @ 5.462'	1.00° @ 9,381'	

Subscribed and sworn to before me this 17th day of March 19 98

KATHLEEN ROPER
COMMISSION EXPIRES
September 25, 1999

By Phillips, VP Production 19 98

KATHLEEN ROPER
Notary Public Kathleen Roper

Drilling Contractor

9/25/99

Communication Sixpires:

WAY 1009

OCD - ARTESIA

Midland

TMBR/Sharp Drilling, Inc.

County, Texas