

WELL NAME AND NUMBER Graham State No. 1

LOCATION 660/S 1980/W Section 35, T23S, R26E, Eddy County, New Mexico
(New Mexico give U.S.T&R: Texas give S, BLK, SURV. and TWP)

OPERATOR Dorchester Exploration

DRILLING CONTRACTOR MORANCO

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:

| <u>Degrees and Depth</u> | <u>Degrees and Depth</u> | <u>Degrees and Depth</u> | <u>Degrees and Depth</u> |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <u>1/2 130</u> | <u>3/4 4765</u> | <u>1 1/2 8945</u> | <u></u> |
| <u>1 1/2 506</u> | <u>3/4 5082</u> | <u>1 1/4 9419</u> | <u></u> |
| <u>1 820</u> | <u>1/2 5400</u> | <u>1 1/2 9733</u> | <u></u> |
| <u>1 3/4 1050</u> | <u>3/4 5966</u> | <u>3/4 10,018</u> | <u></u> |
| <u>3/4 1349</u> | <u>3/4 6480</u> | <u>1 1/4 10,130</u> | <u></u> |
| <u>3/4 1824</u> | <u>1 6985</u> | <u>1 1/4 10,445</u> | <u></u> |
| <u>1/4 2280</u> | <u>2 1/4 7430</u> | <u>1 1/2 10,910</u> | <u></u> |
| <u>1/2 2760</u> | <u>1 1/2 7619</u> | <u>1 1/4 11,100</u> | <u></u> |
| <u>1/2 2920</u> | <u>1 3/4 7810</u> | <u>1 3/4 11,492</u> | <u></u> |
| <u>1/2 3490</u> | <u>1 1/2 8090</u> | <u>2 1/4 11,655</u> | <u></u> |
| <u>3/4 4066</u> | <u>2 8560</u> | <u>2 3/4 12,000</u> | <u></u> |
| <u>3/4 4415</u> | <u>1 1/2 8757</u> | <u></u> | <u></u> |

Drilling Contractor MORANCO

By Jerry Gilbert
Jerry Gilbert, Drilling Engineer

Subscribed and sworn to before me this 29th day of August 1978

