

WELL NAME AND NUMBER Desert Rose Federal No. 1

LOCATION Section 27, T-23S, R-23E, Eddy County, New Mexico  
(New Mexico give U.S.T. & R. - Texas give S, BLK, SURV. and TWP)

OPERATOR Yates Energy Corporation

DRILLING CONTRACTOR MORANCO Drilling, Inc.

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>1/4 @ 159</u>	<u>1-1/4 @ 4,634</u>	<u>1/2 @ 6,411</u>	<u>1-1/4 @ 8,625</u>
<u>3/4 @ 350</u>	<u>1-3/4 @ 4,758</u>	<u>0 @ 6,720</u>	<u>1-1/2 @ 8,873</u>
<u>1/2 @ 803</u>	<u>2 @ 4,851</u>	<u>3/4 @ 7,035</u>	<u>1-1/4 @ 9,154</u>
<u>1/2 @ 1,268</u>	<u>2 @ 4,960</u>	<u>3/4 @ 7,150</u>	<u>3/4 @ 9,297</u>
<u>1/4 @ 1,668</u>	<u>3 @ 5,037</u>	<u>1/2 @ 7,288</u>	<u>2 @ 9,719</u>
<u>3/4 @ 2,131</u>	<u>3 @ 5,150</u>	<u>1/2 @ 7,413</u>	<u>1-1/4 @ 9,929</u>
<u>1 @ 2,560</u>	<u>2-3/4 @ 5,286</u>	<u>1/2 @ 7,700</u>	<u>1-1/4 @ 10,038</u>
<u>3/4 @ 3,013</u>	<u>3 @ 5,411</u>	<u>3/4 @ 7,770</u>	<u>1-1/2 @ 10,310</u>
<u>1/4 @ 3,450</u>	<u>2-3/4 @ 5,530</u>	<u>1 @ 7,907</u>	
<u>1/4 @ 3,888</u>	<u>2-1/4 @ 5,661</u>	<u>1-1/2 @ 8,150</u>	
<u>1/4 @ 4,384</u>	<u>1-3/4 @ 5,785</u>	<u>1-1/2 @ 8,312</u>	
<u>3/4 @ 4,509</u>	<u>1 @ 6,030</u>	<u>1-1/4 @ 8,438</u>	

Drilling Contractor MORANCO Drilling, Inc.

By Wiley Gilmore  
Wiley Gilmore - Marketing Manager

Subscribed and sworn to before me this 11th day of October 1989

My Commission expires:

September 13, 1992

Virginia G. Perry  
Notary Public  
Lea County, New Mexico