

INCLINATION REPORT

OPERATOR: GRACE OIL COMPANY
 ADDRESS: 212 RUSSEL, CARLSBAD, NEW MEXICO 88240
 LEASE NAME: GINGER FEDERAL NO. 1
 LOCATION: SECTION 25, T-26-S, R-30-E, EDDY COUNTY, NEW MEXICO

21-Aug-87

RECORD OF INCLINATION

MEASURED DEPTH (feet)	COURSE LENGTH	ANGLE OF INCLINATION (Degrees)	DISPLACEMENT PER HUNDRED FEET (Sine of Angle X100)	COURSE DISPLACEMENT (feet)	ACCUMULATIVE DISPLACEMENT (feet)
273	273	0.50	0.88	2.39	2.39
577	304	0.75	1.31	3.99	6.38
905	328	0.75	1.31	4.31	10.68
1147	242	1.50	2.63	6.35	17.04
1398	251	1.00	1.75	4.39	21.43
1673	275	1.25	2.19	6.02	27.44
1920	247	0.75	1.31	3.24	30.69
2230	310	0.50	0.88	2.71	33.40
2528	298	1.00	1.75	5.22	38.61
2788	260	2.75	4.81	12.51	51.13
2899	111	2.75	4.81	5.34	56.47
2992	93	2.50	4.38	4.07	60.54
3125	133	1.00	1.75	2.33	62.86
3238	113	2.00	3.50	3.96	66.82
3361	123	1.50	2.63	3.23	70.05
3524	163	2.25	3.94	6.42	76.47
3613	89	2.00	3.50	3.12	79.58
3852	239	0.75	1.31	3.14	82.72
4078	226	0.75	1.31	2.97	85.68
4417	339	0.25	0.44	1.48	87.17
4882	465	1.50	2.63	12.21	99.37
5139	257	1.25	2.19	5.62	105.00
5419	280	0.50	0.88	2.45	107.45
5745	326	1.00	1.75	5.71	113.15
6228	483	0.75	1.31	6.34	119.49
7041	813	0.25	0.44	3.56	123.05

Accumulative total displacement of well bore at total depth of 7,041 feet = 123.05 feet.
 Inclination measurements were made in - DRILL PIPE.
 The subject well was NOT at any time intentionally deviated from the vertical in any manner whatsoever.

INCLINATION DATA CERTIFICATION

M. D. Mosley
 M. D. Mosley, Drilling Supt.
 TOT Drilling Corporation
 (915) 367-7361

NOTARY SEAL

Subscribed and sworn to before me
 this 21st day of August, 1987
Elizabeth A. Knight
 Notary Public for the State of Texas