DEVIATION REPORT

| Name of Company | | Address | | | |
|------------------------|----------|-------------------------------------|---------|----------|-------|
| Meridian Oil Inc. | | P.O. Box 4289, Farmington, NM 87499 | | | |
| Lease | Well No. | Unit Letter | Section | Township | Range |
| Newco | 101 | 0 | 19 | 32 | 9 |
| Pool | | Co | unty | | ! |
| Undesignated Fruitland | | | | | |

| Depth (Ft.) | Deviation (De | grees) |
|-------------|---------------|---------------|
| | | |
| 230' | 3/4 | |
| 761' | 1/2 | |
| 1270' | 1/2 | |
| 1820' | 3/4 | • |
| 1985' | 1 1/4 | |
| 2484' | 1 | |
| 2982' | 1 1/4 | |
| 3215' | 1 | MASSIVEN |
| | | FEBRR 1989 |
| | | OIL CON. DIV. |
| | | EST. 3 |
| | | ~·, 3 |

I, the undersigned, certify that I, acting in my capacity as Petroleum Engineer of Meridian Oil Inc., am authorized by said Company to make this report; and that this report was prepared by me or under my supervision and directions and that the facts stated herein are true to the best of my knowledge and belief.

Subscribed and sworn to before me this 15th day of August , 1988

Notary Rublic in and for San Juan County, New Mexico

My Commission expires August 17, 1988.