and copy

McKay Drilling Corporation

Roy L. McKay, President

Mailing Address: P.O. Box 2014 Roswell, NM 88202 * Telephone 505 / 623 - 4735 Street Address: One McKay Place Roswell, NM 88201 * Fax No. 505 / 624 - 2202

OIL & GAS

RECEIVED

June 1, 2006

Bureau of Land Management

Attn: Larry Bray

2909 W. Second Street Roswell, NM 88201-2019 JUN 1 2 2006

RE: LL&E B Fed #2

1650' FNL, 1980' FEL, Unit G, SEC 12, T6S, R22E

Chaves County, New Mexico

Spud 3/11/06

DEVIATION SURVEY

½° @ 180'

½ ° @ 477'

½° @ 954'

½° @ 1430'

½ ° @ 2018'

TD 3050'

Released Date 03/27/06

Sincerely,

Carol Shanks

Production Analyst

STATE OF NEW MEXICO)

COUNTY OF CHAVES

DIACE OF MARKON CONTROL OF MAR

The foregoing instrument was Acknowledged before me this 1 day of June 2006, by the person known to me to be Carol Shanks.

My Commission Expires: , June 27, 2009

Notaly Public

LEASES * PRODUCTION

INVESTMENTS