



Permian Drilling Corporation

P. O. Box 726

(505)397-3798

Fax (505)393-2448

Hobbs, New Mexico 88241

INCLINATION REPORT

DATE: 8/25/2006

WELL NAME AND NUMBER: AAO Federal #12

LOCATION: Eddy Co., NM

OPERATOR: MARBOB ENERGY CORP.

DRILLING CONTRACTOR: PERMIAN DRILLING CORPORATION



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:

DEGREE	DEPTH	DEGREE	DEPTH	DEGREE	DEPTH
0.50	499				
0.50	700				
1.25	1255				
1.25	1801				
2.00	2268				
2.00	2767				
2.00	3247				
1.50	3753				

Drilling Contractor:
Permian Drilling Incorporation

By: Sherry Coskrey
Sherry Coskrey
Regulatory Clerk

Subscribed and sworn to before me on this September day of 13th, 2006.

My Commission Expires:

June 12, 2010

[Signature]