



Permian Drilling Corporation

P. O. Box 726

(505)397-3798

Fax (505)393-2448

Hobbs, New Mexico 88241

INCLINATION REPORT

DATE: 12/9/2008

API # 30-015-36124

WELL NAME AND NUMBER: Pinnacle St "20" #1
LOCATION: Eddy Co., NM
OPERATOR: RKI EXPLORATION & PRODUCTION
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
1.00	243	1.00	5855		
1.00	507	0.50	6361		
1.75	1010				
2.00	1484				
2.00	1977				
2.50	2448				
2.50	2944				
2.00	3415				
1.75	3915				
1.50	4415				
1.00	4889				
1.50	5387				

Drilling Contractor:
Permian Drilling Corporation

By: _____
Sherry Coskrey
Regulatory Clerk

Subscribed and sworn to before me on this 9th day of December, 2008.

My Commission Expires:

June 12, 2010

[Signature]

[Signature]