WELL NAME	AND NUMBER	Por	terhouse	State	Com #1	<u>~</u>					
LOCATION	OCATION Section 32, T-18-S, R-31-E, Eddy County, New Mexico										
OPERATOR	OPERATOR Chi Energy Inc., 212 N. Main, Suite 200, Midland, Texas 79701										
DRILLING CONTRACTOR TMBR/Sharp Drilling, Inc., P. O. Drawer 10970, Midland, TX 79702											
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:											
Degrees @	Depth	Degrees @	Depth	_	Degrees @	Depth	_	Degrees @	Depth		
.75 @	237'	75 @	3,299'	-	.50 @	6,282'	_	1.00 @	8,432'		
75 @	409'	.75 @	3,580'	_	1.00 @	6,530°	_	1.50 @	8,556'		
1.00 @	752 <b>'</b>	1.00 @	3,792'	_	1.25 @	6,717'	_	1.00 @	8,649'		
1.00 @	967'	1.00 @	3,948'	_	.75 @	6,810°	-	.75 @	8,7761		
.75 @	1,211'	.50 @	4 <u>,133'</u>	-	1.25 @	6,935'	-	.75 @	8,8991		
.75 <u>@</u>	1,398'	1.00 @	4,321		.75 @	7,058'	-	1.75 @	9,088'		
1.00 @	1,709'	1. <u>00</u> @	4,538'	-	1.25 @	7,184	_	1.50 @	9,181'		
2.00 @	1,9901	1.00 @	4,726'		1.75 @	7,278'	_	1.00 @	9,337		
2.00 @	2,0941	1.00 @	4,883'		2.00 @	7,372'	_	1.00 @	9,431'		
1.75 @	2,178'	1.00 @	5,097		1.25 @	7,465'		1.25 @	9,587'		
1.25 @	2,303'	1.00 @	5,438'	_	1.00 @	7,591'	-	.75 @	9,744'		
1.25 @	2354'	1.00 @	5,534'		1.00 @	7,747'	-	.75 @	9,899'		
.75 @	2,552'	1.25 @	5,783'	•	1.00 @	7,936'	-	1.75 @	10,119'		
.75 @	2,800'	.75 @	5,970'		1.00 @	8,122		1.50 @	10,212'		
1.00 @	3,051'	.50 @	6,127'		.75 @	8,277'		1.00 @	10,304'		
Drilling Contractor TMBR/Sharp Drilling, Inc.											
				Ву	Jett posto.	Millips, P	reside	Mij	<b>—</b>		
Subscribed and	sworn to before	me this	14th	day of	May		_	·	2003		
NOTARY PUBLIC State of Texas  Comm. Exp. 08-25-2003											
Commission ex	Mar Chinister China	arthur and a second			Mi	dland		County, T	exas		

Page 2 of 2

WELL NAME AND NUMB	ER Porterhouse St	tate Com #1	
LOCATIONSec	tion 32, T-18-S, R-31-E, E	ddy County, New Mexico	
OPERATOR Chi	Energy Inc., 212 N. Main,	Suite 200, Midland Texas	79701
DRILLING CONTRACTOR	TMBR/Sharp Drilling, In	nc., P. O. Drawer 10970, N	lidland, TX 79702
The undersigned hereby the above described well and		zed representative of the drill tion tests and obtained the fo	_
Degrees @ Depth	Degrees @ Depth	Degrees @ Depth	Degrees @ Depth
1.00 @ 10,460			
.75 @ 10,523'			
.75 @ 10,676 <u>'</u>		***	
.50 @ 10,862'			
1.00 @ 11,049'			
1.75 @ 11,299'			
1.50 @ 11,518'			
1.75 @ 11,673'			
2.25 @ 11,861'			
2.50 @ 12,048'			
2.75 @ 12,210			
	***************************************		
	Drilling Contrac	ctor TMBR/Sharp Drilling, In	ıc.
		By Joffins VID. Phillips, Pres	Pellin
Subscribed and swom to before	ore me this 14th day	y of <u>May</u>	2003
KATHLE NOTAR State Comm. Ex	EN ROPER IY PUBLIC of Texas p. 09-25-2003	Notary Public Kat	hleen Roper
Commission expires: 9/2	5/03	Midland	County, Texas