

INCLINATION REPORT

05-Jan-89

RECEIVED

OPERATOR: Santa Fe Energy Operations Partners, L.P.  
 ADDRESS: Suite 500, 500 West Illinois  
 Midland, Texas 79701

WELL NAME: Chase 11, Federal No. 1  
 LOCATION: Section 11, T-22-S, R-27-E  
 Eddy County, New Mexico

FEB 24 '89

RECORD OF INCLINATION

MEASURED DEPTH (feet)	COURSE LENGTH	ANGLE OF INCLINATION (Degrees)	DISPLACEMENT PER HUNDRED FEET (Sine of Angle X100)	COURSE DISPLACEMENT (feet)	ACCUMULATIVE DISPLACEMENT (feet)
235	235	0.50	0.88	2.06	2.06
518	283	1.00	1.75	4.95	7.01
716	198	1.25	2.19	4.33	11.34
840	124	1.75	3.06	3.80	15.14
976	136	1.50	2.63	3.57	18.71
1106	130	2.75	4.81	6.26	24.96
1169	63	2.25	3.94	2.48	27.44
1220	51	1.50	2.63	1.34	28.78
1327	107	1.25	2.19	2.34	31.12
1429	102	1.00	1.75	1.79	32.91
1596	167	0.75	1.31	2.19	35.10
1786	190	0.75	1.31	2.49	37.59
2120	334	1.00	1.75	5.85	43.44
2604	484	1.00	1.75	8.47	51.91
3036	432	1.75	3.06	13.23	65.14
3499	463	2.50	4.38	20.26	85.40
3680	181	2.00	3.50	6.34	91.73
4022	342	1.75	3.06	10.47	102.20
4424	402	1.25	2.19	8.79	111.00
4880	456	2.00	3.50	15.96	126.96
5192	312	1.75	3.06	9.56	136.51
5467	275	1.75	3.06	8.42	144.94
5610	143	1.25	2.19	3.13	148.06
6081	471	2.75	4.81	22.67	170.73
6266	185	3.00	5.25	9.71	180.44
6402	136	3.00	5.25	7.14	187.58
6571	169	2.50	4.38	7.39	194.98
6727	156	1.75	3.06	4.78	199.75
6972	245	1.25	2.19	5.36	205.11
7403	431	1.25	2.19	9.43	214.54
7835	432	1.25	2.19	9.45	223.99
8090	255	1.00	1.75	4.46	228.45
8486	396	2.00	3.50	13.86	242.31
8796	310	2.00	3.50	10.85	253.16
9140	344	1.25	2.19	7.53	260.69
9544	404	1.00	1.75	7.07	267.76
10045	501	0.75	1.31	6.58	274.33

Accumulative total displacement at well bore at total depth of 10,045' feet = 274.33 feet.  
 Inclination measurements were made in -      Tubing      Casing      Open Hole X Drill Pipe.  
 At no time was the subject well intentionally deviated from the vertical in any manner whatsoever.

INCLINATION DATA CERTIFICATION

I declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on this form and that such data and facts are true, correct and complete to the best of my knowledge.

SEAL

M. D. Mosley  
 Signature of Authorized Representative  
M. D. Mosley, Vice President Drilling Operations  
 Name of Person and Title  
TOI Drilling Corporation  
 Name of Company  
 Telephone: (915) 367-7361 or (915) 563-1948

Subscribed and sworn before me this  
4th Day of January, 1989.

Elizabeth Knight  
 Notary Public for the State of Texas  
 My Commission Expires June 10, 1989