

WELL NAME AND NUMBER Terra 35 State #1

LOCATION 1980' FNL, 660' FEL, Section 35, T-9S, R-25E, Chaves County, New Mexico
(New Mexico give U.S.T.&R. - Texas give S, BLK, SURV. and TWP)

OPERATOR Terra Resources, Inc.

RECEIVED

DRILLING CONTRACTOR MORANCO Drilling, Inc.

FEB 15 '89

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:

<u>Degrees and Depth</u>	<u>Degrees and Depth</u>	<u>Degrees and Depth</u>	<u>Degrees and Depth</u>
<u>1/2</u> <u>313</u>	<u>2</u> <u>5341</u>		
<u>3/4</u> <u>640</u>	<u>1 1/2</u> <u>5466</u>		
<u>1/4</u> <u>1040</u>	<u>3/4</u> <u>5655</u>		
<u>0</u> <u>1148</u>	<u>2 3/4</u> <u>6453</u>		
<u>1/2</u> <u>1640</u>			
<u>1/4</u> <u>2141</u>			
<u>1/4</u> <u>2650</u>			
<u>1/2</u> <u>3166</u>			
<u>1/4</u> <u>3670</u>			
<u>1</u> <u>4250</u>			
<u>1 1/2</u> <u>4745</u>			
<u>2 3/4</u> <u>5245</u>			

Drilling Contractor MORANCO Drilling, Inc.

By Wiley Gilmore
Wiley Gilmore, Marketing Manager

Subscribed and sworn to before me this 11th day of January 19 89

My Commission expires:

September 13, 1992

Virginia G. Perry
Notary Public
Lea County, New Mexico