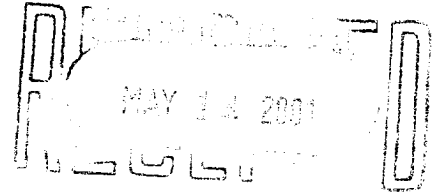




KEY ENERGY DRILLING, INC.
P.O. Box 1295
Midland, Texas 79702
Phone 915-570-0494
Fax 915-570-0465

To: Whom It May Concern:

RE: STATE OF NEW MEXICO
OIL AND GAS DIVISION
INCLINATION REPORT



Lease Name: ENGWALL RL
Well Number: FEDERAL #4
County/State: CHAVES, N.M.
Operator: YATES PETROLEUM CORPORAITON
Address: 105 SOUTH 4TH STREET
Address: ARTESIA, NM 88210
Location:



I, **CHOYR GILBERT**, Contract Manager for Key Energy Drilling, Inc., PO Box 1295, Midland, TX 79702, 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.

Sworn to and Subscribed Before Me by the said

CHOYR GILBERT
Contract Manager

This the 11th day of May, 2001

Signature of Notary Public
In and for the State of Texas



DENESE TRUITT
Print Name of Notary Public

**STATE OF NEW MEXICO
OIL AND GAS DIVISION**

INCLINATION REPORT

FIELD NAME	LEASE NAME ENGWALL RL	WELL NUMBER FED. #4
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OPERATOR YATES PETROLEUM CORPORATION	COUNTY CHAVES
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ADDRESS 105 SOUTH 4TH STREET; ARTESIA, NM 88210

LOCATION

RECEIVED
OCD ARTESIA

RECORD OF INCLINATION

MEASURED DEPTH FEET	COURSE LENGTH HUNDREDS OF FEET	ANGLE OF INCLINATION DEGREE	DISPLACEMENT PER HUNDRED FEET	COURSE DISPLACEMENT FEET	ACCUMULATIVE DISPLACEMENT
463	4.63	0.750	1.31	6.06	6.06
757	2.94	0.500	0.87	2.57	8.63
1100	3.43	1.000	1.75	5.99	14.61
1605	5.05	0.250	0.44	2.20	16.82
2109	5.04	0.250	0.44	2.20	19.01
2584	4.75	0.500	0.87	4.15	23.16
3089	5.05	0.500	0.87	4.41	27.57
3534	4.45	1.000	1.75	7.77	35.33
3789	2.55	0.750	1.31	3.34	38.67
4044	2.55	1.000	1.75	4.45	43.12
4359	3.15	0.500	0.87	2.75	45.87
4777	4.18	2.000	3.49	14.59	60.46
4993	2.16	3.250	5.67	12.25	72.70
5119	1.26	4.000	6.98	8.79	81.49
5182	0.63	3.500	6.10	3.85	85.34
5256	0.74	3.500	6.10	4.52	89.86
5310	0.54	3.000	5.23	2.83	92.68
5436	1.26	3.000	5.23	6.59	99.28
5500	0.64	2.250	3.93	2.51	101.79
5626	1.26	2.500	4.36	5.50	107.29
5816	1.90	2.000	3.49	6.63	113.92
6094	2.78	0.750	1.31	3.64	117.56
6470	3.76	0.500	0.87	3.28	120.84
	-64.70		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84
	0.00		0.00	0.00	120.84

THIS INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNATURE OF AUTHORIZED REPRESENTATIVE 	NAME OF COMPANY KEY ENERGY DRILLING, INC.
NAME OF PERSON AND TITLE CHOYR GILBERT - CONTRACT MANAGER	TELEPHONE NUMBER (915) 570-0494