



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

SWD

Lease Name: HANDICAPPER ~~AW~~ STATE
Well Number: #1
County/State: CHAVES, NM
Operator: YATES PETROLEUM CORPORATION
Address: 105 S. 4TH STREET
Address: ARTESIA, NM 88210
Location:

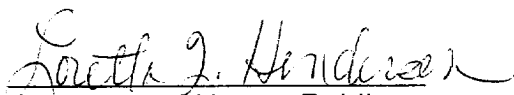


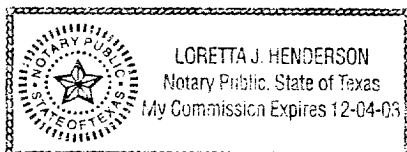
I, **CHOYR GILBERT**, Contract Manager for Key Energy Drilling, Inc., PO Box 1295, Midland, TX 79702, declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on this form and that such data and facts are true, correct, and complete to the best of my knowledge.

Sworn to and Subscribed Before Me by the said


CHOYR GILBERT
Contract Manager

This the 15TH day of JANUARY, 2001


Signature of Notary Public
In and for the State of Texas



LORETTA J. HENDERSON
Print Name of Notary Public

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

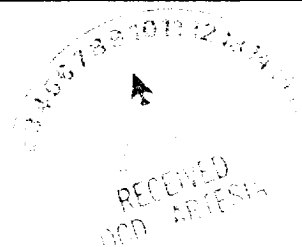
INCLINATION REPORT

FIELD NAME	LEASE NAME HANDICAPPER AWI STATE	WELL NUMBER #1
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OPERATOR YATES PETROLEUM CORPORATION	COUNTY CHAVES
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ADDRESS 105 S. 4TH STREET, ARTESIA, NM 88210
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LOCATION



RECORD OF INCLINATION

MEASURED DEPTH FEET	COURSE LENGTH HUNDREDS OF FEET	ANGLE OF INCLINATION DEGREE	DISPLACEMENT PER HUNDRED FEET	COURSE DISPLACEMENT FEET	ACCUMULATIVE DISPLACEMENT
442	4.42	0.75	1.31	5.79	5.79
770	3.28	0.50	0.87	2.86	8.65
1110	3.40	0.75	1.31	4.45	13.10
1366	2.56	0.25	0.44	1.12	14.22
1803	4.37	0.75	1.31	5.72	19.94
2270	4.67	1.00	1.75	8.15	28.09
2720	4.50	1.50	2.62	11.78	39.87
3132	4.12	1.50	2.62	10.78	50.65
3545	4.13	1.75	3.05	12.61	63.26
3799	2.54	1.00	1.75	4.43	67.70
4117	3.18	1.50	2.62	8.32	76.02
4403	2.86	1.00	1.75	4.99	81.01
4783	3.80	2.50	4.36	16.58	97.59
4846	0.63	3.00	5.23	3.30	100.88
4910	0.64	3.00	5.23	3.35	104.23
4973	0.63	3.00	5.23	3.30	107.53
5003	0.30	3.00	5.23	1.57	109.10
5067	0.64	2.75	4.80	3.07	112.17
5162	0.95	2.75	4.80	4.56	116.73
5289	1.27	2.25	3.93	4.99	121.72
5452	1.63	2.00	3.49	5.69	127.40
5669	2.17	2.50	4.36	9.47	136.87
5860	1.91	2.25	3.93	7.50	144.37
6330	4.70	1.00	1.75	8.20	152.57
6485	1.55	1.00	1.75	2.71	155.28
	-64.85		0.00	0.00	155.28
	0.00		0.00	0.00	155.28
	0.00		0.00	0.00	155.28
	0.00		0.00	0.00	155.28
	0.00		0.00	0.00	155.28
	0.00		0.00	0.00	155.28
	0.00		0.00	0.00	155.28
	0.00		0.00	0.00	155.28

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 CHOYS GILBERT - CONTRACT MANAGER	TELEPHONE NUMBER (915) 570-0494