

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

INCLINATION REPORT

FIELD NAME	LEASE NAME	WELL NUMBER
	VANILLA AZA STATE	#1

OPERATOR	COUNTY
YATES PETROLEUM	CHAVES

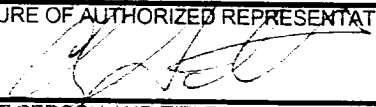
ADDRESS
105 SOUTH 4TH STREET, ARTESIA, NM 88210

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
421	4.21	0.750	1.31	5.51	5.51
917	4.96	0.750	1.31	6.49	12.00
1078	1.61	0.750	1.31	2.11	14.11
1280	2.02	0.750	1.31	2.64	16.75
1504	2.24	1.000	1.75	3.91	20.66
1724	2.20	0.750	1.31	2.88	23.54
1976	2.52	1.000	1.75	4.40	27.94
2259	2.83	0.750	1.31	3.70	31.65
2512	2.53	0.750	1.31	3.31	34.96
2953	4.41	1.000	1.75	7.70	42.65
3205	2.52	0.750	1.31	3.30	45.95
3454	2.49	1.000	1.75	4.35	50.30
3704	2.50	0.750	1.31	3.27	53.57
3870	1.66	0.750	1.31	2.17	55.74
4113	2.43	1.000	1.75	4.24	59.98
4614	5.01	2.000	3.49	17.48	77.47
4867	2.53	1.500	2.62	6.62	84.09
5119	2.52	2.000	3.49	8.79	92.89
5371	2.52	1.500	2.62	6.60	99.48
5622	2.51	2.000	3.49	8.76	108.24
5874	2.52	1.750	3.05	7.70	115.94
6260	3.86	1.000	1.75	6.74	122.68
6300	0.40	1.000	1.75	0.70	123.37
	-63.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37
	0.00		0.00	0.00	123.37

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