



KEY ENERGY DRILLING, INC.  
6 Desta Drive  
Suite 4400  
Midland, Texas 79705  
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: South Queen Unit  
Well Number: #29  
County/State: LEA COUNTY, NEW MEXICO  
Operator: XERIC OIL & GAS CORP.  
Address: BOX 352  
Address: MIDLAND TX 79702  
Location:

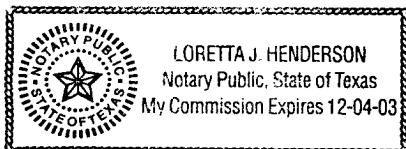
I- 4 - 20s - 35e,  
1330/S & 90/E  
30-025-36148

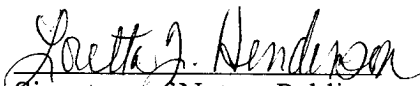
I, **CHOYR GILBERT**, Contract Manager for Key Energy Drilling, Inc., 6 Desta Drive, Suite 4400, Midland, TX 79705, declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on this form and that such data and facts are true, correct, and complete to the best of my knowledge.

Sworn to and Subscribed Before Me by the said

  
CHOYR GILBERT  
Contract Manager

This the 28TH day of APRIL, 2003



  
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**

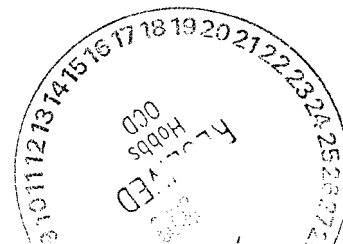
**INCLINATION REPORT**

|            |                                       |                           |
|------------|---------------------------------------|---------------------------|
| FIELD NAME | LEASE NAME<br><b>SOUTH QUEEN UNIT</b> | WELL NUMBER<br><b>#29</b> |
|------------|---------------------------------------|---------------------------|

|                                             |                      |
|---------------------------------------------|----------------------|
| OPERATOR<br><b>XERIC OIL &amp; GAS CORP</b> | COUNTY<br><b>LEA</b> |
|---------------------------------------------|----------------------|

|                                             |
|---------------------------------------------|
| ADDRESS<br><b>BOX 352, MIDLAND TX 79702</b> |
|---------------------------------------------|

|          |
|----------|
| LOCATION |
|----------|



**RECORD OF INCLINATION**

| MEASURED DEPTH<br>FEET | COURSE LENGTH<br>HUNDREDS OF<br>FEET | ANGLE OF INCLINATION<br>DEGREE | DISPLACEMENT PER<br>HUNDRED FEET | COURSE<br>DISPLACEMENT<br>FEET | ACCUMULATIVE<br>DISPLACEMENT |
|------------------------|--------------------------------------|--------------------------------|----------------------------------|--------------------------------|------------------------------|
| 245                    | 2.45                                 | 0.250                          | 0.44                             | 1.07                           | 1.07                         |
| 489                    | 2.44                                 | 1.500                          | 2.62                             | 6.39                           | 7.46                         |
| 645                    | 1.56                                 | 1.500                          | 2.62                             | 4.08                           | 11.54                        |
| 732                    | 0.87                                 | 1.500                          | 2.62                             | 2.28                           | 13.82                        |
| 854                    | 1.22                                 | 2.000                          | 3.49                             | 4.26                           | 18.07                        |
| 1012                   | 1.58                                 | 2.250                          | 3.93                             | 6.20                           | 24.28                        |
| 1139                   | 1.27                                 | 2.500                          | 4.36                             | 5.54                           | 29.82                        |
| 1265                   | 1.26                                 | 2.000                          | 3.49                             | 4.40                           | 34.21                        |
| 1428                   | 1.63                                 | 2.000                          | 3.49                             | 5.69                           | 39.90                        |
| 1557                   | 1.29                                 | 1.750                          | 3.05                             | 3.94                           | 43.84                        |
| 2034                   | 4.77                                 | 3.000                          | 5.23                             | 24.96                          | 68.81                        |
| 2160                   | 1.26                                 | 2.250                          | 3.93                             | 4.95                           | 73.75                        |
| 2287                   | 1.27                                 | 2.500                          | 4.36                             | 5.54                           | 79.29                        |
| 2414                   | 1.27                                 | 3.000                          | 5.23                             | 6.65                           | 85.94                        |
| 2668                   | 2.54                                 | 2.250                          | 3.93                             | 9.97                           | 95.91                        |
| 2796                   | 1.28                                 | 2.250                          | 3.93                             | 5.03                           | 100.94                       |
| 2923                   | 1.27                                 | 2.500                          | 4.36                             | 5.54                           | 106.48                       |
| 3050                   | 1.27                                 | 3.000                          | 5.23                             | 6.65                           | 113.12                       |
| 3177                   | 1.27                                 | 3.000                          | 5.23                             | 6.65                           | 119.77                       |
| 3304                   | 1.27                                 | 3.000                          | 5.23                             | 6.65                           | 126.42                       |
| 3432                   | 1.28                                 | 3.000                          | 5.23                             | 6.70                           | 133.12                       |
| 3559                   | 1.27                                 | 3.000                          | 5.23                             | 6.65                           | 139.76                       |
| 3654                   | 0.95                                 | 3.750                          | 6.54                             | 6.21                           | 145.98                       |
| 3813                   | 1.59                                 | 3.750                          | 6.54                             | 10.40                          | 156.38                       |
| 3941                   | 1.28                                 | 3.000                          | 5.23                             | 6.70                           | 163.07                       |
| 4035                   | 0.94                                 | 3.500                          | 6.10                             | 5.74                           | 168.81                       |
| 4195                   | 1.60                                 | 2.750                          | 4.80                             | 7.68                           | 176.49                       |
| 4322                   | 1.27                                 | 3.000                          | 5.23                             | 6.65                           | 183.14                       |
| 4449                   | 1.27                                 | 2.750                          | 4.80                             | 6.09                           | 189.23                       |
| 4576                   | 1.27                                 | 2.750                          | 4.80                             | 6.09                           | 195.32                       |
| 4703                   | 1.27                                 | 1.750                          | 3.05                             | 3.88                           | 199.20                       |
| 5005                   | 3.02                                 |                                | 0.00                             | 0.00                           | 199.20                       |
|                        | -50.05                               |                                | 0.00                             | 0.00                           | 199.20                       |

|                                             |                                                     |
|---------------------------------------------|-----------------------------------------------------|
| <br><b>CHOYR GILBERT - CONTRACT MANAGER</b> | NAME OF COMPANY<br><b>KEY ENERGY DRILLING, INC.</b> |
|                                             | TELEPHONE NUMBER<br><b>(915) 620-0300</b>           |