

INCLINATION REPORT **HOBBS OCD**

Operator: Quantum Resources Management

Lease Name: M-State 19-7
Encore M State #007
API - 30-025-40399

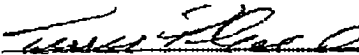
B-19-225-37e
RECORD OF INCLINATION

MAY 11 2012

7490 **161D/E**
RECEIVED

Measured Depth	Course Length (Hundreds of feet)	Angle of Inclination (degrees)	Displacement per Hundred Feet (Sine of Angle x 100)	Course Displacement (feet)	Accumulative Displacement (feet)
339	3.39	1.00	1.75	5.92	5.92
697	3.58	0.50	0.87	3.12	9.04
1,729	10.32	0.50	0.87	9.01	18.05
2,142	4.13	0.50	0.87	3.60	21.65
2,461	3.19	0.50	0.87	2.78	24.43
2,966	5.05	0.50	0.87	4.41	28.84
3,445	4.79	0.50	0.87	4.18	33.02
3,978	5.33	0.50	0.87	4.65	37.67
4,747	7.69	0.75	1.31	10.07	47.74
5,260	5.13	0.50	0.87	4.48	52.21
5,702	4.42	0.50	0.87	3.86	56.07
6,202	5.00	0.50	0.87	4.36	60.44
6,716	5.14	0.50	0.87	4.49	64.92
6,880	1.64	0.50	0.87	1.43	66.35

Inclination Data Certification


Signature of Authorized Representative

Terry Place, GM of Rig Operations

Name of Person and Title

Pinpoint Drilling and Directional Services, LLC

Name of Company

(918) 647-3201

Telephone

24900 Pitkin Road, Suite 180
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MAY 15 2012