

30-025-40520 HOBBS OCD

## NEW MEXICO INCLINATION REPORT

SEP 11 2012

|                                                                          |                                 |                     |
|--------------------------------------------------------------------------|---------------------------------|---------------------|
| 1 FIELD NAME<br>MALJAMAR; YESO WEST                                      | 2 LEASE NAME<br>EMERALD FEDERAL | 8. Well Number<br>2 |
| 3. OPERATOR<br>CONOCO PHILLIPS COMPANY                                   |                                 | 10 County<br>LEA    |
| 4 ADDRESS                                                                |                                 |                     |
| 5 LOCATION<br>SECTION 17, TOWNSHIP 17 SOUTH, RANGE 32 EAST 990/S & 665/E |                                 |                     |

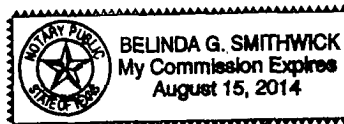
## RECORD OF INCLINATION

| *11. Measured Depth<br>(feet) | 12 Course Length<br>(Hundreds of feet) | *13 Angle of<br>Inclination<br>(Degrees) | 14. Displacement per<br>Hundred Feet<br>(Sine of Angle x100) | 15. Course<br>Displacement (feet) | 16. Accumulative<br>Displacement (feet) |
|-------------------------------|----------------------------------------|------------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------------------------------------|
| 234                           | 2.34                                   | 0 30                                     | 0 52                                                         | 1.23                              | 1.23                                    |
| 617                           | 0.70                                   | 0 30                                     | 0.52                                                         | 0 37                              | 1.60                                    |
| 980                           | 3.63                                   | 0.10                                     | 0.17                                                         | 0.63                              | 2.23                                    |
| 1386                          | 4.06                                   | 0.70                                     | 1.22                                                         | 4.96                              | 7.19                                    |
| 1702                          | 3 16                                   | 0.70                                     | 1.22                                                         | 3.86                              | 11.05                                   |
| 2063                          | 3.61                                   | 0.70                                     | 1.22                                                         | 4.41                              | 15 46                                   |
| 2245                          | 1.82                                   | 0.80                                     | 1.40                                                         | 2.54                              | 18 00                                   |
| 2604                          | 3.59                                   | 0 70                                     | 1.22                                                         | 4.39                              | 22.39                                   |
| 2966                          | 3.62                                   | 2.90                                     | 5.06                                                         | 18.31                             | 40.70                                   |
| 3327                          | 3.61                                   | 5.00                                     | 8.72                                                         | 31.46                             | 72.16                                   |
| 3507                          | 1.80                                   | 6.50                                     | 11.32                                                        | 20.38                             | 92.54                                   |
| 3868                          | 3 61                                   | 6.40                                     | 11 15                                                        | 40.24                             | 132.78                                  |
| 4230                          | 3.62                                   | 6 50                                     | 11.32                                                        | 40 98                             | 173.76                                  |
| 4591                          | 3.61                                   | 6.80                                     | 11.84                                                        | 42.74                             | 216.50                                  |
| 4952                          | 3.61                                   | 6.70                                     | 11.67                                                        | 42.12                             | 258.62                                  |
| 5313                          | 3.61                                   | 2.60                                     | 4.54                                                         | 16.38                             | 275.00                                  |
| 5674                          | 3 61                                   | 1.10                                     | 1.92                                                         | 6 93                              | 281.93                                  |
| 5855                          | 1.81                                   | 1.00                                     | 1.75                                                         | 3.16                              | 285.09                                  |
| 6216                          | 3.61                                   | 0.20                                     | 0.35                                                         | 1.26                              | 286.35                                  |
| 6577                          | 3.61                                   | 0.20                                     | 0.35                                                         | 1.26                              | 287 61                                  |
| 6938                          | 3.61                                   | 0.40                                     | 0.70                                                         | 2 52                              | 290.13                                  |
| 7225                          | 2.87                                   | 0.70                                     | 1.22                                                         | 3.51                              | 293.64                                  |

LUKE JANKOWSKI  
RIG MANAGER  
PRECISION DRILLING COMPANY L.P.  
RIG 194



GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 7<sup>th</sup> DAY  
OF AUGUST, 2012.



*Belinda G. Smithwick*

SEP 20 2012