HOBBS OCD

SEP 30 2014

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State Of New Mexico
Energy, Minerals and Natural Resources
Oil Conservation Division

Form W-12
(1-1-71)
FOD1296

INCLINATION REPORT

(One Copy Must Be Filed With Each Completion Report)

1. FIELD NAME: **Penrose Skelly-Grayburg**	2. LEASE NAME: **H T Mattern NCT B**
3. OPERATOR: **Chevron USA Inc.**	8. Well Number: **029**
Houston, TX 77252	9. RRC Identification Number (Gas completions only)
5. LOCATION (Section, Block, and Survey): **Lot J, Sec.30,21S Township, Range 37E**	10. County: **Lea**
	6. OGRID Number: **4323**
	7 API Number: 30-025-4183

RECORD OF INCLINATION

*11. Measured Depth (feet)	12. Course Length (Hundreds of feet)	*13. Angle of Inclination (Degrees)	14. Displacement per Hundred Feet (Sine of Angle x100)	15. Course Displacement (feet)	16. Accumulative Displacement (feet)
460	460	0.30	0.52	2.41	2.41
970	510	0.20	0.35	1.78	4.19
1264	294	0.10	0.17	0.51	4.70
1570	306	0.50	0.87	2.67	7.37
1826	256	0.80	1.40	3.57	10.95
2050	224	2.00	3.49	7.82	18.76
2458	408	2.80	4.88	19.93	38.69
2632	174	2.10	3.66	6.38	45.07
2823	191	1.40	2.44	4.67	49.74
3074	251	1.10	1.92	4.82	54.56
3334	260	0.80	1.40	3.63	58.19
3584	250	0.70	1.22	3.05	61.24
3956	372	0.80	1.40	5.19	66.43

If additional space is needed, use the reverse side of this form.

17. Is any information shown on the reverse side of this form? ☐ yes ☑ no

18. Accumulative total displacement of well bore at total depth of 3956 feet = 66.43 feet.

*19. Inclination measurements were made in - ☐ Tubing ☐ Casing ☐ Open hole ☑ Drill Pipe

20. Distance from surface location of well to the nearest lease line ..... 1460 feet.

21. Minimum distance to lease line as prescribed by field rules ..... feet.

22. Was the subject well at any time intentionally deviated from the vertical in any manner whatsoever? No

(If the answer to the above question is "yes," attach written explanation of the circumstances.)

INCLINATION DATA CERTIFICATION

I declare , that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks (*) by the item numbers on this form.

John Halldorson

Signature of Authorized Representative

John Halldorson / President / Operations

Name of Person and Title (type or print)

Eagle Rock Drilling, Inc.

Name of Company

Telephone: 432-682-3030

Area Code

OPERATOR CERTIFICATION

I declare I am authorized to make this certification, that I have personal knowledge of all information presented in this report, and that all data presented on both sides of this form are true, correct, and complete to the best of my knowledge. This certification covers all data and information presented herein except inclination data as indicated by asterisks (*) by the item numbers on this form.

Amanda Johnson

Signature of Authorized Representative

Amanda Johnson, Agent

Name of Person and Title (type or print)

Brammer Engineering, Inc

Operator

Telephone: 318-429-2281

Area Code

OCT 20 2014