



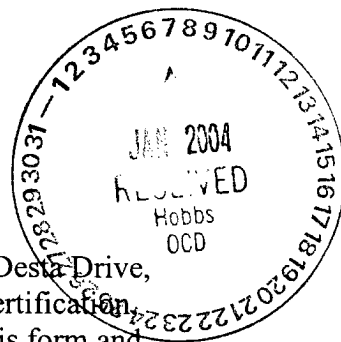
KEY ENERGY DRILLING, INC.
6 Desta Drive
Suite 4400
Midland, Texas 79705
Phone 915-570-0494
Fax 915-570-0465

To: Whom It May Concern:

RE: STATE OF NEW MEXICO
OIL AND GAS DIVISION
INCLINATION REPORT

SUR: N-32-15s-35e, 676/S & 1980/W
BHL: N-32-15s-35e, 756/S & 1921/W
API # 30-025-36234

Lease Name: BLUE BAER DUNN "32" STATE
Well Number: #1
County/State: LEA COUNTY, NEW MEXICO
Operator: EOG RESOURCES
Address: 4000 BIG SPRING SUITE 500
Address: MIDLAND TX 79702
Location:



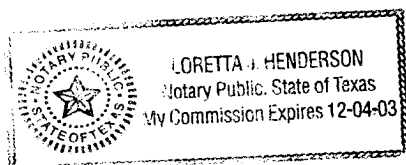
I, **CHOYR GILBERT**, Contract Manager for Key Energy Drilling, Inc., 6 Desta Drive, Suite 4400, Midland, TX 79705, declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on this form and that such data and facts are true, correct,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

Sworn to and Subscribed Before Me by the said


CHOYR GILBERT
Contract Manager

This the 22ND day of SEPTEMBER, 2003


Signature of Notary Public
In and for the State of Texas



LORETA J. HENDERSON
Print Name of Notary Public

INCLINATION REPORT

JUL 2004
RECEIVED
Hobbs
OCD

MEASURED DEPTH FEET	COURSE LENGTH HUNDREDS OF FEET	ANGLE OF INCLINATION DEGREE	DISPLACEMENT PER HUNDRED FEET	COURSE DISPLACEMENT FEET	ACCUMULATIVE DISPLACEMENT
482	4.82	0.500	0.87	4.21	4.21
904	4.22	1.000	1.75	7.36	11.57
1343	4.39	0.500	0.87	3.83	15.40
1812	4.69	1.000	1.75	8.19	23.59
2249	4.37	1.000	1.75	7.63	31.21
2719	4.70	1.000	1.75	8.20	39.42
3125	4.06	0.250	0.44	1.77	41.19
3594	4.69	0.500	0.87	4.09	45.28
4036	4.42	1.000	1.75	7.71	52.99
4505	4.69	0.250	0.44	2.05	55.04
4872	3.67	1.000	1.75	6.41	61.45
5310	4.38	1.000	1.75	7.64	69.09
5748	4.38	1.000	1.75	7.64	76.73
6185	4.37	0.500	0.87	3.81	80.55
6654	4.69	1.250	2.18	10.23	90.78
7092	4.38	0.750	1.31	5.73	96.51
7530	4.38	0.750	1.31	5.73	102.25
7968	4.38	1.000	1.75	7.64	109.89
8405	4.37	1.250	2.18	9.53	119.42
8873	4.68	0.500	0.87	4.08	123.51
9342	4.69	1.000	1.75	8.19	131.69
9781	4.39	0.500	0.87	3.83	135.52
10248	4.67	1.000	1.75	8.15	143.67
10719	4.71	1.000	1.75	8.22	151.89
11187	4.68	0.500	0.87	4.08	155.98
11656	4.69	1.000	1.75	8.19	164.16
12094	4.38	0.750	1.31	5.73	169.90
12594	5.00	1.250	2.18	10.91	180.80
	-125.94		0.00	0.00	180.80
	0.00		0.00	0.00	180.80
	0.00		0.00	0.00	180.80
	0.00		0.00	0.00	180.80
	0.00		0.00	0.00	180.80

SIGNATURE OF AUTHORIZED REPRESENTATIVE 	NAME OF COMPANY KEY ENERGY DRILLING, INC.
NAME OF PERSON AND TITLE CHOYR GILBERT - CONTRACT MANAGER	TELEPHONE NUMBER (432) 620-0300