

INCLINATION REPORT

FIELD NAME: Bagley Lower Penn North COUNTY: Lea, New Mexico
OPERATOR: Bell Petroleum Company ADDRESS: P. O. Box 1538 - Midland, Texas 79701
LEASE NAME & NO: State "K" #2 WELL DESCRIPTION: 1980' FSL & 660' FWL
Sec. 21, T-11-S, R-33-E

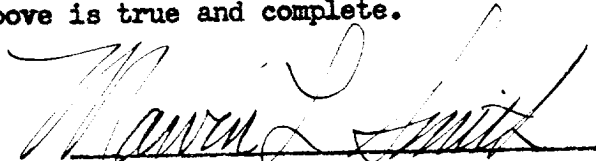
RECORD OF INCLINATION

<u>DEPTH (FEET)</u>	<u>ANGLE OF INCLINATION (DEGREES)</u>	<u>DISPLACEMENT (FEET)</u>	<u>ACCUMULATIVE DISPLACEMENT (FEET)</u>
395	1/2	3.4484	3.4484
800	3/4	5.3015	8.7499
1,313	3/4	6.7152	15.4651
1,800	1	8.4982	23.9633
2,249	1-1/4	9.7927	33.7560
2,778	3/4	6.9246	40.6806
3,252	3/4	6.2047	46.8853
3,746	3/4	6.4665	53.3518
4,242	1/2	4.3301	57.6819
4,720	3/4	6.2570	63.9389
5,001	3/4	3.6783	67.6172
5,015	3-1/4	.7937	68.4109
5,034	5	1.6560	70.0669
5,104	3-1/4	3.9683	74.0352
5,232	1-1/4	2.7917	76.8269
5,703	2	16.4379	93.2648
6,049	1-1/2	9.0583	102.3231
6,356	1	5.3572	107.6803
6,661	1-1/4	6.6521	114.3324
6,961	1	5.2350	119.5674
7,194	1	4.0659	123.6333
7,452	1-1/2	6.7544	130.3877
7,782	1-3/4	10.0782	140.4659
7,960	2	6.2122	146.6781
8,130	1-1/2	4.4506	151.1287
8,484	1	6.1773	157.3060
8,646	1	2.8269	160.1329
9,004	1/4	1.5609	161.6938
9,118	1	1.9893	163.6831
9,659	1	9.4405	173.1236
9,887	1	3.9786	177.1022
10,170 TD	1-1/4	6.1722	183.2744

Total Displacement 183.2744'

Distance to nearest lease line 660'

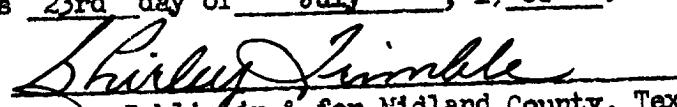
I certify that I have personal knowledge of the data and facts placed on this form, and that such information given above is true and complete.


Signature

Vice-President

HIGHLAND DRILLING COMPANY
Company

Subscribed and sworn to before me on this 23rd day of July, 19 68.


Notary Public in & for Midland County, Texas.