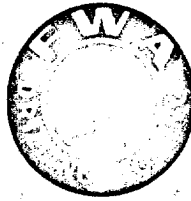


P. O. BOX 1876



MIDLAND, TEXAS
79701

July 25, 1971

Belco Petroleum Corporation
P. O. Box 19234
Houston, Texas 77024

Gentlemen:

The following is the inclination report on your Midwest State #2, Lea County, New Mexico:

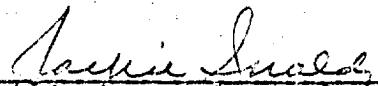
<u>Depth</u>	<u>Course Length</u>	<u>Angle of Inclination</u>	<u>Displacement per 100 feet</u>	<u>Course Displacement</u>	<u>Accumulative Displacement</u>
375	371	1/2	.87	3.22	3.22
891	507	3/4	1.31	6.62	9.84
1378	497	3/4	1.31	6.51	16.35
1849	471	1	1.75	8.24	24.59
2288	439	1	1.75	7.63	32.27
3223	935	1 1/2	2.62	24.49	56.76
3697	474	1 1/4	2.18	10.33	67.09
3954	257	1	1.75	4.49	71.53
4367	413	3/4	1.31	5.41	76.99
4800	433	3/4	1.31	5.67	82.66
5301	501	3/4	1.31	6.56	89.22
5795	494	1	1.75	8.64	97.86
6300	505	3/4	1.31	6.61	104.47
6800	500	1	1.75	8.75	113.22
7021	221	1/2	.87	1.92	115.14
7355	334	3/4	1.31	4.39	119.51
7667	312	1 1/4	2.18	6.63	126.31
8269	602	1	1.75	10.53	136.84
8659	290	3/4	1.31	3.79	140.63
8827	178	1	1.75	3.11	143.74
8924	87	1/2	.87	.75	144.49
9241	3.7	1/2	.87	2.75	147.24
9420	179	3/4	1.31	2.34	149.58
9695	275	1/2	.87	2.39	151.97
				Total	151.97

Sincerely yours,

FWA Drilling Company, Inc.

Clint Hurt

Before me personally appeared Clint Hurt known to me to be the person whose name is subscribed above. Witnesseth my hand this the 29th day of July, 1971.


Notary Public in and for Midland
County, Texas.