

MGF OIL CORPORATION  
P. O. Box 5027  
Midland, Texas 79701

INCLINATION REPORT

OPERATOR: MGF Oil Corporation  
P. O. Box 5027  
Midland, Texas 79701

LOCATION: Santa Fe Railway No. 1  
760' FNL & 760' FEL  
Sec. 13, 10-S, 36-E  
Lea County, New Mexico

| *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) |
|-------------------------------|-----------------------------------------|-------------------------------------------|--------------------------------------------------------------|-----------------------------------|-----------------------------------------|
| 500                           | 5.00                                    | .75                                       | 1.31                                                         | 6.55                              | 6.55                                    |
| 950                           | 4.50                                    | .75                                       | 1.31                                                         | 5.90                              | 12.45                                   |
| 1,426                         | 4.76                                    | .75                                       | 1.31                                                         | 6.24                              | 18.69                                   |
| 1,917                         | 4.91                                    | 1.00                                      | 1.75                                                         | 8.59                              | 27.28                                   |
| 2,205                         | 2.88                                    | .75                                       | 1.31                                                         | 3.77                              | 31.05                                   |
| 2,701                         | 4.96                                    | .75                                       | 1.31                                                         | 6.50                              | 37.55                                   |
| 3,025                         | 3.24                                    | .75                                       | 1.31                                                         | 4.24                              | 41.79                                   |
| 3,525                         | 5.00                                    | .75                                       | 1.31                                                         | 6.55                              | 48.34                                   |
| 3,952                         | 4.27                                    | .50                                       | .88                                                          | 3.76                              | 52.10                                   |
| 4,452                         | 5.00                                    | .50                                       | .88                                                          | 4.40                              | 56.50                                   |
| 4,681                         | 2.29                                    | .50                                       | .88                                                          | 2.02                              | 58.52                                   |
| 4,956                         | 2.75                                    | 1.00                                      | 1.75                                                         | 4.81                              | 63.33                                   |
| 5,015                         | .59                                     | 1.00                                      | 1.75                                                         | 1.03                              | 64.36                                   |
|                               |                                         |                                           |                                                              |                                   |                                         |
|                               |                                         |                                           |                                                              |                                   |                                         |
|                               |                                         |                                           |                                                              |                                   |                                         |

STATE OF TEXAS  
COUNTY OF MIDLAND

The undersigned states that he has knowledge of the facts and matter herein set forth and that the same are true and correct.

  
\_\_\_\_\_  
Hugh L. Boyt  
Production Engineer

SUBSCRIBED AND SWORN TO BEFORE ME THIS 17th day of January, 1979.

  
\_\_\_\_\_  
Notary Public in and for Midland  
County, Texas

My Commission Expires:  
July 31, 1980