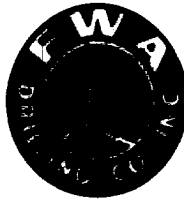


P. O. BOX 1876



MIDLAND, TEXAS
79701

July 10, 1970

Roger Hanks
2000 Wilco Building
Midland, Texas, 79701

Dear Sir:

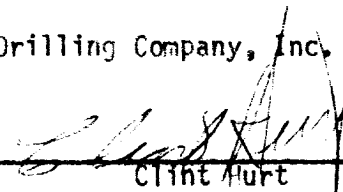
The following is the inclination report on your Peggy Federal #1, located in Section 34-8-35, Roosevelt County, New Mexico.

Depth	Angle of Inclination (degrees)	Displacement (feet)	Accumulative Displacement (feet)
417	1/2°	3.63	3.63
979	1/2°	4.89	8.52
1482	1/4°	6.52	15.04
1983	1/2°	4.35	19.40
2307	1/2°	2.82	22.22
2829	1/2°	4.54	26.76
3430	1/2°	5.23	31.99
3693	3/4°	3.44	35.43
4050	1°	6.24	41.67
4691	1/2°	5.57	47.24
5462	1/2°	6.71	53.95
6091	1/2°	5.47	59.42
6371	1-1/2°	7.37	66.79
6871	1-1/4°	10.90	77.69
7110	1/2°	2.08	79.77
7878	1/2°	6.68	86.45
8278	3/4°	5.24	91.69
9186	1-1/4°	19.79	111.48
9613	1/2°	3.71	115.19
9845	1/2°	2.02	117.21

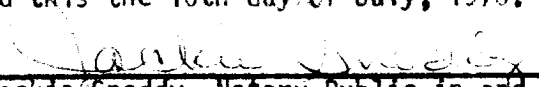
Sincerely yours,

F W A Drilling Company, Inc.

By


Clint Hurt

Before personally appeared Clint Hurt known to me to be the person whose name is subscribed above. Witnesseth my hand this the 10th day of July, 1970.


Jackie Snoddy, Notary Public in and for
Midland County, Texas

