

INCLINATION REPORT

WAINOCO, Inc.
1100 Milam Building
Houston, Texas 79701

Graves #1
Section 17, T 5S-R33E
Roosevelt County, New Mexico

RECORD OF INCLINATION

Measured Depth Feet	Course Length (Hundred of Ft.)	Angle of Inclination (Degrees)	Displacement per Hundred Feet (Sine of Angle X 100)	Course Displacement (Feet)	Accumulative Displacement (Feet)
496	4.96	0.50	0.88	4.36	4.36
802	3.06	0.25	0.44	1.35	5.71
1,301	4.99	0.50	0.88	4.39	10.10
1,795	4.94	0.50	0.88	4.35	14.45
1,964	1.69	0.50	0.88	1.49	15.94
2,423	4.59	0.50	0.88	4.04	19.98
2,850	4.27	0.25	0.44	1.88	21.86
3,350	5.00	0.50	0.88	4.40	26.26
3,680	3.30	0.50	0.88	2.90	29.16
3,930	2.50	1.00	1.75	4.38	33.54
4,430	5.00	1.25	2.19	10.95	44.49
4,930	5.00	1.25	2.19	10.95	55.44
5,215	2.85	1.50	2.63	7.50	62.94
5,673	4.58	1.75	3.06	14.01	76.95
6,163	4.90	1.75	3.06	14.99	91.94
6,622	4.59	1.75	3.06	14.05	105.99
7,067	4.45	1.75	3.06	13.62	119.61
7,321	2.54	2.00	3.50	8.89	128.50
7,820	4.99	1.75	3.06	15.27	143.77
8,032	2.12	1.75	3.06	6.49	150.26

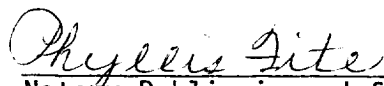
Accumulative total displacement of well bore at total depth of 8,032 feet = 150.26 feet.
Inclination measurements were made in drill pipe.

I hereby certify that the above deviation and depths are true, correct and complete to the best of my knowledge.

VERNA DRILLING COMPANY


John Bishop, Drilling Superintendent

Sworn and subscribed to before me, this 12th day of May, 1977.


Notary Public in and for Hockley
County, Texas