



Collier Drilling Corp.

PHONES (505) 746-3596 (505) 746- 6520
BOX 271 - ARTESIA NEW MEXICO 88210

INCLINATION REPORT

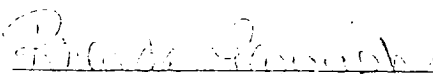
OPERATOR: Southland Royalty Company ADDRESS: 1100 Wall Towers West, Midland, TX 79701

LEASE: State "BD" WELL NO: #2

LOCATION: Section 7, T-17-S, R-33-E, 2310' FNL & 2310' FEL, Lea County, New Mexico

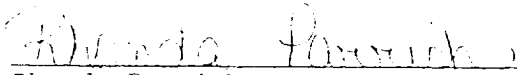
<u>DISC NO.</u>	<u>DATE</u>	<u>DEPTH</u>	<u>DRIFT</u>	<u>DRILLER</u>
1	3/16/81	673'	1/4°	R. D. Watkins
2	3/16/81	977'	1 3/4°	D. L. Pruitt
3	3/18/81	1465'	1 1/4°	D. L. Pruitt
4	3/18/81	2452'	3/4°	Erick Lehr
5	3/19/81	2960'	1°	Erick Lehr
6	3/21/81	3468'	1°	R. D. Watkins
7	3/23/81	3976'	1 1/2°	D. L. Pruitt
8	3/26/81	4490'	1°	R. D. Watkins

I hereby certify that the above data as set forth by the above drillers for Collier Drilling Corp., on their Survey of Directional Drilling is true and correct to the best of my knowledge and belief.

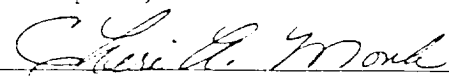

Rhonda Parrish
Secretary

Affidavit:

Before me, the undersigned authority, appeared Rhonda Parrish known to me to be the person whose name is subscribed hereinbelow, who on making deposition under oath states that she is acting for and on behalf of the operator of the well identified above, and that to the best of her knowledge and belief such well was not intentionally deviated from the true vertical whatsoever.


Rhonda Parrish
(Affiant's Signature)

Sworn and subscribed to in my presence this 3rd day of April, 1981.


NOTARY PUBLIC

My commission expires:

March 24, 1982

