



Patterson Drilling Company

410 N. Loraine Street — (915) 682-9401
Midland, Texas 79701

June 7, 1999

Nearburg Producing Company
Drilling Department
3300 N "A" St, Bldg 2, Ste 120
Midland, TX 79705

RE: Inclination Report
Rancho Verde 10 State #1
Sec 10; T-16-S; R-32-E

Gentlemen:

The following is an inclination survey on the above referenced well located in Lea County, New Mexico:

235' - 0.50	4230' - 0.75	8473' - 1.00
400' - 0.75	4644' - 0.75	8726' - 1.25
900' - 1.00	5147' - 0.50	8883' - 2.00
1402' - 1.00	5749' - 0.25	9041' - 1.50
1877' - 0.75	6248' - 1.00	9168' - 1.75
2357' - 0.50	6734' - 0.25	9322' - 1.75
2893' - 0.25	7181' - 1.00	9542' - 1.75
3299' - 0.75	7678' - 0.25	9837' - 2.25
3799' - 0.75	8066' - 0.25	9985' - 2.00

Sincerely,

Rebecca Edwards

Rebecca A. Edwards
Administrative Assistant

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing was acknowledged before me this 7th day of June, 1999 by Rebecca A. Edwards.

MY COMMISSION EXPIRES:

Treva Forrester

NOTARY PUBLIC

