

M-G-F DRILLING CO., INC.

7TH FLOOR, VAUGHN BUILDING

MIDLAND, TEXAS 79701

915 - 684-7173

INCLINATION REPORT

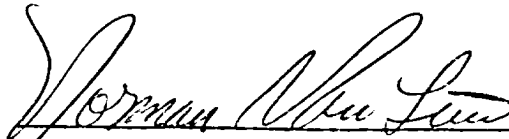
OPERATOR: Energy Reserves Group
Dresser Tower, Suite 1900
601 Jefferson
Houston, Texas 77002

LOCATION: Gulf State No. 2
Section 9, T-18-S, R-35-E, Lea
County, New Mexico

Depth Feet	Inclination Degrees	Depth Feet	Inclination Degrees	Depth Feet	Inclination Degrees
355	1	5425	2-1/4		
505	1/2	5582	2		
776	1	5769	2		
973	3/4	6000	3		
1478	1/2	6022	3		
1635	1/2	6281	2-3/4		
2030	1/4	6552	3-1/4		
2425	1/4	6740	3-3/4		
2728	1/2	6989	4		
3135	1/2	7209	3-3/4		
3600	1	7364	3-3/4		
3734	1	7555	5		
3795	1-1/2	7675	3-3/4		
4078	2-1/4	7802	3-1/4		
4390	2-3/4	7926	3		
4610	3	8052	3		
4766	3	8200	2-3/4		
4952	2-1/2	8332	2-3/4		
5020	3	8650	3-3/4		
5081	2-1/2	8910	5		
5267	2-3/4	9150	4-3/4		

STATE OF TEXAS
COUNTY OF MIDLAND

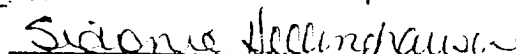
The undersigned state that he has knowledge of the facts and matter herein set forth and that the same are true and correct.



Norman VanLiew, Operations Manager

SUBSCRIBED AND SWORN TO BEFORE ME this the 29 day of June, 19 79

My Commission Expires:
July 31, 1980


Notary Public in and for Midland County,
Texas.