

INCLINATION REPORT

OPERATOR: Meridian Oil Inc.

ADDRESS: 21 Desta Drive
Midland, Texas 79705

LEASE NAME: Federal "21"

WELL#: 3

FIELD: _____

LOCATION: Lea County, New Mexico

2007/N 21240/W 21-18-33

Measured Depth	Angle of Inc.	Displacement Per 100 ft.	Accumulative Displacement
210 *	0.50	0.87 *	1.8270
351 *	0.75	1.31 *	3.6741
840 *	1.00	1.75 *	12.2316
1314 *	1.00	1.75 *	20.5266
1815 *	0.50	0.87 *	24.8853
2314 *	1.25	2.18 *	35.7635
2814 *	1.50	2.62 *	48.8635
2902 *	1.50	2.62 *	51.1691
3395 *	1.50	2.62 *	64.0857
3868 *	1.50	2.62 *	76.4783
4366 *	0.50	0.87 *	80.8109
4850 *	1.00	1.75 *	89.2809
5346 *	1.00	1.75 *	97.9609
5837 *	1.00	1.75 *	106.5534
6125 *	0.75	1.31 *	110.3262
6604 *	1.00	1.75 *	118.7087
7098 *	0.75	1.31 *	125.1801
7595 *	1.25	2.18 *	136.0147
8090 *	1.00	1.75 *	144.6772
8583 *	2.00	3.49 *	161.8829
8774 *	1.75	3.05 *	167.7084
9265 *	1.75	3.05 *	182.6839
9756 *	1.50	2.62 *	195.5481
10247 *	1.25	2.18 *	206.2519
10616 *	1.75	3.05 *	217.5064
11110 *	1.25	2.18 *	228.2756
11538 *	0.25	0.44 *	230.1588

I hereby certify that the above data as set forth is true and correct to the best of my knowledge and belief.

CACTUS DRILLING COMPANY

Rebecca Edwards

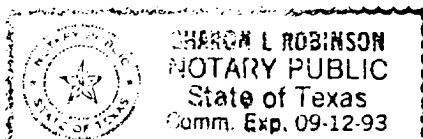
TITLE: DRILLING SECRETARY

AFFIDAVIT:

Before me, the undersigned authority, appeared Rebecca Edwards known to me to be the person whose name is subscribed hereabove, who, on making deposition, under oath states that she is acting for and in 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.

Rose McCallum
AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this 25 day of January 1990.



Sharon L. Robinson
Notary Public in and for
the County of Midland,
State of Texas.