

INCLINATION REPORT

OPERATOR: Meridian Oil Inc.

ADDRESS: 21 Desta Drive
Midland, Texas 79705

LEASE NAME: Federal "23"
LOCATION: Lea County, New Mexico

WELL#: 1

FIELD: _____

2310/8+E 23-19.32

Measured Depth	Angle of Inc.	Displacement Per 100 ft.	Accumulative Displacement
240 *	0.50	0.87 *	2.0880
358 *	0.25	0.44 *	2.6072
856 *	0.75	1.31 *	9.1310
1355 *	1.00	1.75 *	17.8635
1830 *	0.75	1.31 *	24.0860
2326 *	2.25	3.93 *	43.5788
2638 *	3.00	5.23 *	59.8964
2730 *	2.75	4.80 *	64.3124
2793 *	2.00	3.49 *	66.5111
2982 *	2.00	3.49 *	73.1072
3704 *	2.00	3.49 *	98.3050
3708 *	2.00	3.49 *	98.4446
4200 *	2.00	3.49 *	115.6154
4800 *	2.75	4.80 *	144.4154
5055 *	2.00	3.49 *	153.3149
5371 *	1.75	3.05 *	162.9529
5874 *	1.00	1.75 *	171.7554
6370 *	1.00	1.75 *	180.4354
6869 *	0.75	1.31 *	186.9723
7343 *	1.00	1.75 *	195.2673
7700 *	1.50	2.62 *	204.6207
8030 *	1.25	2.18 *	211.8147
8529 *	2.00	3.49 *	229.2298
9030 *	2.25	3.93 *	248.9191
9530 *	1.75	3.05 *	264.1691
10025 *	2.00	3.49 *	281.4446
10460 *	2.00	3.49 *	296.6261
10929 *	2.25	3.93 *	315.0578
11450 *	2.75	4.80 *	340.0658

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

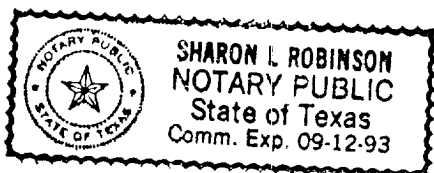
TITLE: DRILLING SECRETARY

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 McClaum
AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this 26 day of February, 19 90.



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