ICLINATION REPORT

OPERATOR: Meridian Oil Inc.

ADDRESS:

21 Desta Drive

Midland, Texas 79705

LEASE NAME: Huber "17" Federal WELL#: 4

FIELD:

LOCATION: Lea County, New Mexico

Measured Depth	Angle of Inc.	Displacement Per 100 ft.	Accumulative Displacement
155		0.44	* 0.6820 * 1.5312
348	* 0.25	0.44	1,0011
572	* 0.50	0.87	3.1000
1062	* 0.75	1.31	3.0330
1453	* 1.25	2.18	10.4220
1933	* 0.75	1.31	* 24.7108 * 33.3033
2424	* 1.00	1.75	33.3033
2905	* 1.50	2.62	* 45.9055
3386	* 1.25	2.18	* 56.3913
3879	* 1.00	1.75	* 65.0188
4375	* 0.50	0.87	* 69.3340
4866	* 0.50	0.87	* 73.6057
5357	* 1.00	1.75	* 82.1982
5500	* 0.75	1.31	* 84.0715
5979	* 1.50	2.62	* 96.6213
6470	* 1.75	3.05	* 111.5968
6936	* 2.00	3.49	* 127.8602
7432	* 1.75	3.05	* 142.9882
7925	* 1.00	1.75	* 151.6157
8425	* 1.25	2.18	* 162.5157
8690	* 1.25	2.18	* 168.2927
9162	* 1.50	2.62	* 180.6591
9655	* 1.00	1.75	* 189.2866
10157	* 1.25	2.18	* 200.2302
10648	* 1.25	2.18	* 210.9340
11137	* 1.50	2.62	* 223.7458
11500		1.75	* 230.0983

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 Eduardo

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.

AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this $\underline{\mathscr{LO}}$ day of

SHARON L ROBINSON NOTARY PUBLIC State of Texas Comm. Exp. 09-12-93

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