

INCLINATION REPORT

OPERATOR Read & Stevens Inc. ADDRESS P.O. Box 2126, Roswell, New Mexico 88201  
 LEASE NAME Quail State WELL NO. 1 FIELD \_\_\_\_\_  
 LOCATION Sec. 11, T-19S, R-34E, Lea County, New Mexico

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
400	3/4	5.2400	5.2400
802	1/4	1.7688	7.0088
1287	1/2	4.2195	11.2283
1403	3/4	1.5196	12.7479
1885	1	8.4350	21.1829
2222	1	5.8975	27.0804
2697	1	8.3125	35.3929
3197	1	8.7500	44.1429
3400	1 1/2	5.3186	49.4615
3681	2	9.8069	59.2684
3980	2	10.4351	69.7035
4153	1 3/4	5.2765	74.9800
4328	1 1/2	4.5850	79.5650
4472	1 1/4	3.1392	82.7042
4689	1	3.7975	86.5017
4750	1	1.0675	87.5692
4943	1	3.3775	90.9467
5500	1/4	2.4508	93.3975

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

*Garlin Taylor*  
 TITLE Garlin Taylor, Admn. Asst.

AFFIDAVIT:

Before me, the undersigned authority, appeared *Garlin Taylor*  
 known to me to be the person whose name is subscribed herebelow, who, on making  
 deposition, under oath states that he is acting for and in behalf of the operator  
 of the well identified above, and that to the best of his knowledge and belief such  
 well was not intentionally deviated from the true vertical whatsoever.

*Garlin Taylor*  
 AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 21st day of July, 1977

MY COMMISSION EXPIRES MARCH 1, 1980

*James J. ...*  
 Notary Public in and for the County  
 of Lea, State of New Mexico

SEAL