

INCLINATION REPORT

OPERATOR: Meridian Oil Inc.
 LEASE NAME: Mitchell 16 State
 LOCATION: Lea County, New Mexico

ADDRESS: 21 Desta Drive
 Midland, Texas 79705

WELL#: 1

FIELD: _____

1652/N 1990/E

16-18-32

Measured Depth	Angle of Inc.	Displacement Per 100 ft.	Accumulative Displacement
205 *	0.50	0.87 *	1.7835
248 *	0.75	1.31 *	2.3468
841 *	0.75	1.31 *	10.1151
1332 *	0.50	0.87 *	14.3868
1814 *	1.00	1.75 *	22.8218
2711 *	1.50	2.62 *	46.3232
2918 *	1.00	1.75 *	49.9457
3398 *	0.25	0.44 *	52.0577
3892 *	0.50	0.87 *	56.3555
4368 *	0.25	0.44 *	58.4499
4897 *	0.25	0.44 *	60.7775
5387 *	1.00	1.75 *	69.3525
5880 *	1.50	2.62 *	82.2691
6384 *	2.25	3.93 *	102.0763
6667 *	2.00	3.49 *	111.9530
7647 *	1.75	3.05 *	141.8430
8144 *	1.50	2.62 *	154.8644
8645 *	1.75	3.05 *	170.1449
8812 *	1.75	3.05 *	175.2384
9208 *	1.75	3.05 *	187.3164
9709 *	1.25	2.18 *	198.2382
10208 *	1.50	2.62 *	211.3120
10707 *	1.50	2.62 *	224.3858
10995 *	0.75	1.31 *	228.1586

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

CACTUS DRILLING COMPANYRebecca Edwards

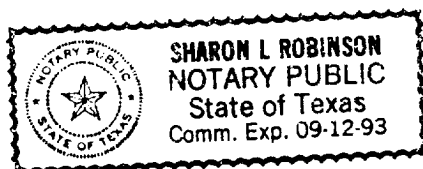
TITLE: DRILLING SECRETARY

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 McCollum
 AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this 22 day of January, 1990.



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