



Patterson Drilling Company

410 N. Lorraine Street — (915) 682-9401
Midland, Texas 79701

March 25, 1999

Drilling Department
Mallon Oil Company
999 18th Street, Ste. 1700
Denver, CO 80202

RE: Inclination Report
Mallon Federal 30-43
Sec 30; T-19-S; R-34-E

Gentlemen:

The following is an inclination survey on the above referenced well located in Lea County, New Mexico:

| | |
|--------------|---------------|
| 380' - 0.50 | 4885' - 0.75 |
| 657' - 2.00 | 5185' - 0.75 |
| 1109' - 1.25 | 5680' - 0.75 |
| 1608' - 0.75 | 6153' - 0.75 |
| 2104' - 1.25 | 6399' - 1.00 |
| 2383' - 0.75 | 6895' - 0.75 |
| 2883' - 2.00 | 7390' - 0.75 |
| 3007' - 2.00 | 7888' - 0.50 |
| 3164' - 1.50 | 8385' - 0.50 |
| 3444' - 1.25 | 8886' - 1.00 |
| 3946' - 0.75 | 9378' - 1.00 |
| 4218' - 1.00 | 9877' - 0.75 |
| | 10300' - 0.75 |



Sincerely,

Rebecca Edwards

Rebecca A. Edwards
Administrative Assistant

STATE OF TEXAS)
)
COUNTY OF MIDLAND)

The foregoing was acknowledged before me this 25th day of March, 1999 by Rebecca A. Edwards.

MY COMMISSION EXPIRES:

Treva Forrester

NOTARY PUBLIC

