

INCLINATION REPORT

OPERATOR LBO New Mexico ADDRESS 4101 Birch, Suite 130
Newport Beach, California 92660
 LEASE NAME Tara WELL NO. 1 FIELD Nadine
 LOCATION 1980/N + 2310/W Unit 3
Section 26, T-19-S, R-38-E Lea County, New Mexico

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
180	1/4°	.79	.79
671	1/2°	4.30	5.09
1142	1 1/4°	10.29	15.38
1457	3/4°	4.16	19.54
1585	3/4°	1.69	21.23
2025	3/4°	5.81	27.04
2524	1 °	8.73	35.77
2996	1 °	8.26	44.03
3124	1 °	2.24	46.27
3562	3/4°	5.78	52.05
4032	1/2°	4.11	56.16
4502	3/4°	6.20	62.36
4971	3/4°	6.19	68.55
5078	1 °	1.87	70.42
5509	1 °	7.34	77.96
6009	1 °	8.75	86.71
6471	1 °	8.09	94.80
6925	3/4°	5.99	100.79
7397	3/4°	6.23	107.02
7763	3/4°	5.10	112.12
7920	3/4°	1.81	113.93

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

SITTON DRILLING COMPANY

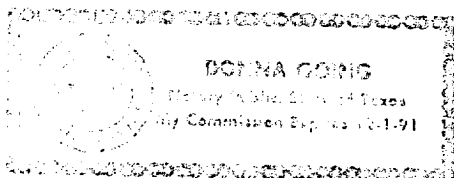
Ronald Sitton
 TITLE RONALD SITTON
President

AFFIDAVIT:

Before me, the undersigned authority, appeared Ronald Sitton
 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.

Ronald Sitton
 AFFILIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 26th day of September, 1989



Donna Going
 Notary Public in and for the County
 of Lubbock, State of Texas

SEAL