

INCLINATION REPORT

OPERATOR Penroc Oil Corporation ADDRESS Drawer 831, Midland, Texas 79702
 LEASE NAME CSO Federal WELL NO. 1 FIELD _____
 LOCATION Section 20, T-22S, R-36E, Lea County, New Mexico

| DEPTH | ANGLE INCLINATION DEGREES | DISPLACEMENT | DISPLACEMENT ACCUMULATED |
|-------|------------------------------|--------------|-----------------------------|
| 480 | 1/2 | 4.1760 | 4.1760 |
| 950 | 3/4 | 2.2570 | 6.4330 |
| 1449 | 1 | 8.7325 | 15.1655 |
| 1509 | 1 | 1.0500 | 16.2155 |
| 2102 | 1 | 10.3775 | 26.5930 |
| 2520 | 1 1/4 | 9.1124 | 35.7054 |
| 3050 | 3/4 | 6.9430 | 42.6484 |
| 3527 | 1 | 8.3475 | 50.9959 |
| 3992 | 1 | 8.1375 | 59.1334 |

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

John Ayers

TITLE John Ayers, Office Manager

AFFIDAVIT:

Before me, the undersigned authority, appeared John Ayers, Office Manager 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.

John Ayers

AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 6th day of November, 1978

MY COMMISSION EXPIRES MARCH 1, 1980

SEAL

Jerry L. Myrick
 Notary Public in and for the County
 of Lea, State of New Mexico