

**STATE OF NEW MEXICO
OIL AND GAS DIVISION**

INCLINATION REPORT

FIELD NAME Penrose Skelly Grayburg	LEASE NAME HARE, JG	WELL NUMBER 10
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30-025-34336

OPERATOR Collins & Ware, Inc.	COUNTY LEA
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ADDRESS 508 West Wall, Suite 1200, Midland, Texas 79701
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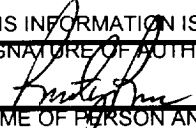
30-025-34336

LOCATION Unit L, Sec. 33, T21S, R37E. 2083' FSL & 716' FWL

RECORD OF INCLINATION

MEASURED DEPTH FEET	COURSE LENGTH HUNDREDS OF FEET	ANGLE OF INCLINATION DEGREE	DISPLACEMENT PER HUNDRED FEET	COURSE DISPLACEMENT FEET	ACCUMULATIVE DISPLACEMENT
356	3.56	0.75	1.31	4.66	4.66
844	4.88	1.50	2.62	12.77	17.43
1341	4.97	1.00	1.75	8.67	26.11
1840	4.99	1.00	1.75	8.71	34.82
2312	4.72	0.75	1.31	6.18	41.00
2810	4.98	1.50	2.62	13.04	54.03
3307	4.97	1.00	1.75	8.67	62.71
3807	5.00	1.25	2.18	10.91	73.61
3950	1.43	1.50	2.62	3.74	77.36

THIS INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

SIGNATURE OF AUTHORIZED REPRESENTATIVE 	NAME OF COMPANY KEY ENERGY DRILLING, INC.
NAME OF PERSON AND TITLE RUSTY ROSE - CONTRACT MANAGER	TELEPHONE NUMBER (806) 894-7386