



Patterson Drilling Company

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

December 28, 1999

Capataz Operating Inc.
P O Box 10549
Midland, TX 79702

RE: Inclination Report
#1 Picayune
Sec 11; T-20-S; R-38-E

Gentlemen:

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

319' - 0.50	3559' - 0.75
594' - 0.75	3935' - 0.50
915' - 1.00	4427' - 0.25
1256' - 1.00	4924' - 0.25
1630' - 0.75	5420' - 0.75
1876' - 1.50	5844' - 0.75
2125' - 1.25	6349' - 1.00
2371' - 1.50	6885' - 1.00
2686' - 1.25	7382' - 0.50
2931' - 1.25	7805' - 0.75
3178' - 0.75	

Sincerely,

Rebecca Edwards

Rebecca A. Edwards
Administrative Assistant

STATE OF TEXAS)

COUNTY OF MIDLAND)

Rebecca A. Edwards acknowledged the foregoing before me this 28th day of December, 1999.

MY COMMISSION EXPIRES: 2/18/2003

Pam A. Corbett
NOTARY PUBLIC

