MORAN BROS., INC.

262 NORTH BELT, SUITE 300

HOUSTON, TEXAS 77060

PHONE: (713) 820-1865



INCLINATION REPORT

OPERATOR:

Kern Company

250 Mid-America Building Midland, Texas 79701

LEASE:

M. L. Goins, Well Number 2

COUNTY:

Lea County, New Mexico

MEASURED DEPTH	ANGLE
342 ft.	3/4 °
826 ft.	1/4 °
1,328 ft.	3/4 °
2,328 ft.	3/4 °
2,862 ft.	3/4 0
3,363 ft.	1 0
3,850 ft. TD	1 °

STATE OF TEXAS I

The undersigned declares that he is authorized to make this certification and that the data and facts are correct to the best of his knowledge and that an inclination survey has been run and the results are available upon request, and that, maximum horizontal displacement was 50.58 feet at a measured depth of 3.850 feet.

FOR: MORAN BROS., INC.

RY

Stan P. Cottrell

Billings Accountant

Subscribed and sworn to before me this 13th day of Naumber

19 79.

Vicki Ferris, Notary Public in and for

Harris County, Skylas.

My Commission Expires: October 23, 1980