

INCLINATION REPORT

OPERATOR Zia Energy, Inc. ADDRESS P. O. Box 603, Hobbs, New Mexico 88240
 LEASE NAME Federal NM-1410 WELL NO. 2 FIELD Eunice-S.A.-Southwest
 LOCATION 1650' FNL & 1650' FEL 17-22S-37E

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
570'	1/2°		
634'	1 1/2°		
690'	3°		
850'	4 1/4°		
990'	4°		
1190'	3°		
1685'	2°		
2165'	2°		
2483'	2 1/4°		
2980'	3/4°		
3525'	1°		
4010'	1°		
4300'	1°		

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

Zia Energy, Inc.

M. F. Nelson
 TITLE Engineer

AFFIDAVIT:

Before me, the undersigned authority, appeared M. F. Nelson
 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.

M. F. Nelson
 AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 27th day of April, 19 81

Laurel Anderson
 Notary Public in and for the County
 of Lea, State of New Mexico

SEAL

8-12-83