

INCLINATION REPORT

OPERATOR Zia Energy Inc. ADDRESS P.O. Box 603, Hobbs, N.M. 88240
 LEASE NAME Federal #1 WELL NO. 1 FIELD _____
 LOCATION Section 17, T-22S, R-37E, Lea County

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
370	1	6.4750	6.4750
650	3/4	3.6680	10.1430
1145	1	8.6625	18.8055
1641	3/4	6.4976	25.3031
1797	3/4	2.0436	27.3467
2292	3/4	6.4845	33.8312
2669	1	6.5975	40.4287
3136	1 1/4	10.1806	50.6093
3634	1 1/4	10.8564	61.4657
3742	1/4	.4752	61.9409
4300	1/2	4.8546	66.7955

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

Garlin Taylor
 TITLE Garlin Taylor, Admn. Asst.

AFFIDAVIT:

Before me, the undersigned authority, appeared Garlin Taylor 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.

Garlin Taylor
 AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 29th day of May, 1979

MY COMMISSION EXPIRES MARCH 1, 1980

SEAL

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