OPERATOR Broncho Corporation ADDRESS Box 5114, Midland, Texas

LEASE E. C. Hill B WELL NO. 3 FIELD Undesignated

LOCATION 2310' FSL, ~~990'~~ FWL, Sec. 27, Twenship 23 South, Range 37 East, Lea Co., N M

DECLINATION REPORT

| Depth | Angle Inclination (degrees) | Displacement | Displacement Accumulated |
|---|---|---|---|
| 472 | 0.50 | 4.1064 | 4.1064 |
| 790 | 1.25 | 6.9324 | 11.0388 |
| 1053 | 1.25 | 5.7334 | 16.7722 |
| 1550 | 1.75 | 15.1585 | 31.9307 |
| 2041 | 1.25 | 10.7038 | 42.6345 |
| 2500 | 1.50 | 12.0258 | 54.6603 |
| 2930 | 1.50 | 11.2660 | 65.9263 |
| 3290 | 1.00 | 6.3000 | 72.2263 |
| 3434 | 1.25 | 3.1392 | 75.3655 |
| 3914 | 1.00 | 8.4000 | 83.7655 |
| 4153 | 1.50 | 6.2618 | 90.0273 |
| 4700 | 1.25 | 11.9246 | 101.9519 |
| 4805 | 0.75 | 1.3755 | 103.3274 |
| 5100 | 1.25 | 6.4310 | 109.7584 |
| 5600 | 1.00 | 8.7500 | 118.5084 |
| 5770 | 0.75 | 2.2270 | 120.7354 |
| 6007 | 0.75 | 3.1047 | 123.8401 |

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
(Drilling Company)

By: [signature]
Title Toolpusher

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AFFIDAVIT:

Before me, the undersigned authority, appeared B. F. Craddock known to me to be to be the person whose name is subscribed hereto, 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.

[signature] (clerk)
(Affiant's Signature)

Sworn and subscribed to in my presence on this the 5th day of January 19 68

[signature]
Notary Public in and for the County of Lea, State of New Mexico

Seal