INCLINATION REPORT

OPERATOR Maralo Incorporated

ADDRESS PO Box 832, Midland, Texas 79702

LEASE NAME Maralo 16 State

WELL NO. 1 FIELD

LOCATION Section 16, T-26S, R-36E, Lea County, New Mexico

DEPTH	ANGLE INCLINATION DEGREES	DISPLACEMENT	DISPLACEMENT ACCUMULATED
500	1/4	2,2000	2.2000
993	1/2	4.2891	6,4891
1057	1/2	,5568	7.0459
1369	1/2	2.7144	9,7603
1686	1 3/4	9,6685	19,4288
1990	2	10,6096	30.0384
2118	2 3/4	6.1440	36,1824
2246	2 3/4	6.1440	42,3264
2500	2 1/2	11.0744	53,4008
2627	2	4.4323	57.8331
2860	2	8,1317	65.9648
3155	3	15,4285	81.3933
3179	3	1.2552	82,6485
3455	2	9.6324	92.2809
3800	2	12.0405	104.3214

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

John Ayen

TITLE John Ayers, Office Manager

AFF IDAVIT:

Before me, the undersigned authority, appeared <u>John Ayers</u> 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.

John Hyen

AFFIANT'S SIGNATURE

Sworn and subscribed to in my presence on this the 14th day of December , 19 79

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

MY COMMISSION EXPIRES MARCH 1, 1980

SEAL