

INCLINATION REPORT

OPERATOR: Arco Oil & Gas Co.
P. O. Box 1710
Hobbs, New Mexico 88240

LEASE NAME: E. L. Steeler #5
Lea County, New Mexico

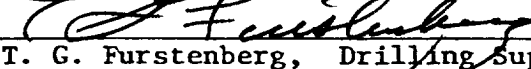
RECORD OF INCLINATION

*Measured Depth (feet)	Course Length (Hundreds of feet)	*Angle of Inclination (Degrees)	Displacement per 100 feet (Sine of Angle x 100)	Course Displacement (feet)	Accumulative Displacement (feet)
510	510	1/4	.44	2.24	2.24
1002	492	1/2	.87	4.28	6.52
1185	183	1	1.75	3.20	9.72
1701	516	1 1/2	2.62	13.52	23.24
2188	487	1 3/4	3.05	14.85	38.09
2626	438	1 1/4	2.18	9.55	47.64
3069	443	1 1/4	2.18	9.66	57.30
3510	441	1 1/4	2.18	9.61	66.91
3800	290	1 1/4	2.18	6.32	73.23

Is any information shown on the reverse side of this form? No

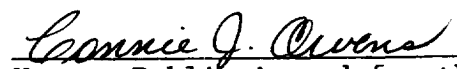
Accumulative total displacement of well bore at total depth of 3800 feet = 73.23 feet.

I declare that I am authorized to make this certification, that I have personal knowledge of the inclination data and facts placed on both sides of this form and that such data and facts are true, correct, and complete to the best of my knowledge. This certification covers all data as indicated by asterisks by the item numbers on this form.

 Signature of Authorized Representative
T. G. Furstenberg, Drilling Superintendent

Hillin Drilling Company
915/563-3560

Sworn to and subscribed before me this 5th day of February, 1981.


Notary Public in and for the
County of Ector, Texas
My commission expires 12/26/81