



KEN REYNOLDS—PRESIDENT
ARNIE NEWKIRK—VICE-PRESIDENT

DRILLING CO., INC. — OIL WELL DRILLING CONTRACTORS

P. O. Box 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 505/746-2719
ROSWELL, NM ARTESIA, NM

October 24, 1994

Yates Energy Corporation
P.O. Box 2323
Roswell, N.M. 88202

RE: McGruder Hill "12" Federal Comm. #1

Gentlemen:

The following is a Deviation Survey on the above referenced well located in Eddy County, New Mexico.

280' - 1°	3343' - 1°	6881' - 3 1/2°	8702' - 2°
400' - 1°	3847' - 1 1/2°	6975' - 3 1/2°	9211' - 2 1/4°
874' - 1 1/2°	4347' - 1°	7070' - 4°	9606' - 2°
1345' - 1 3/4°	4840' - 3/4°	7161' - 3 3/4°	9920' - 1 1/2°
1507' - 1 1/2°	5309' - 1 3/4°	7256' - 2 3/4°	10421' - 1 1/2°
1956' - 3/4°	5817' - 1°	7380' - 2°	10680' - 1 1/4°
2336' - 1°	6317' - 1 3/4°	7881' - 3/4°	11220' - 1°
2844' - 1 1/2°	6787' - 2 3/4°	8383' - 1 3/4°	T.D.

Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
COUNTY OF CHAVES }

The foregoing was acknowledged before me this 24th day of October 1994 by Gary W. Chappell.

MY COMMISSION EXPIRES

October 07, 1996

NOTARY PUBLIC