

Bearcat Drilling, LLC

5424 US Highway 64
Farmington, NM 87401

PO Box 717
Farmington, NM 87499

Phone: 505-327-5218
FAX: 505-564-9185

December 17, 2002

Phoenix Hydrocarbons Operating Corporation
Attn. Phyllis

30-045-30804

FAX: 915-686-7798

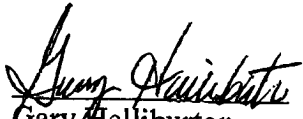
Re: Deviation Report
Largo Federal 3A
Section 14/27N/8W
San Juan, NM

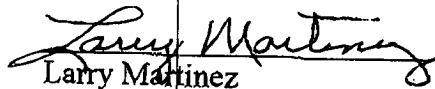
Phyllis,

The following surveys were taken by our crews on Rig #1 during the drilling of the above mentioned well.

90'	$\frac{3}{4}$	2943'	$1 \frac{1}{2}$
200'	$\frac{3}{4}$	3443'	$1 \frac{1}{4}$
403'	$\frac{1}{4}$	4043'	$1 \frac{1}{4}$
927'	$1 \frac{1}{4}$	4543'	$1 \frac{1}{4}$
1916'	2	5034'	$1 \frac{1}{4}$
2416'	$1 \frac{3}{4}$		

Sincerely,


Gary Halliburton
Safety/Personnel/Contracts


Larry Martinez
Asst. Drilling Superintendent