

3E COMPANY, INC.

Engineering • Energy • Exploration

P. O. Box 190 —:— 505/327-4020

FARMINGTON, NEW MEXICO 87401

April 25, 1979

New Mexico Oil Conservation Commission
1000 Rio Brazos Rd.
Aztec, New Mexico

Att: Mr. Al Kendrick

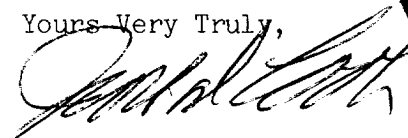
Re: Directional Surveys
Basin Fuels, Ltd.
Steppin Out No.1
1980' FSL and 2310' FEL
Sec. 18- 20N- 5W
Franciscan Lake- Mesa Verde Field
McKinley Co., New Mexico

Gentlemen:

The following directional surveys were conducted on the referenced well as reported by the drilling contractor, L & B Speed Drill:

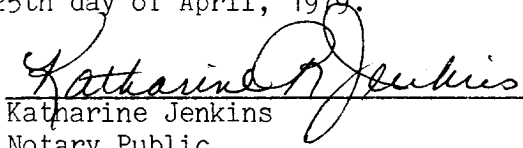
<u>DEPTH</u>	<u>DEVIATION</u>
763'	3/4°
1239'	3/4°
1965'	1°
2410'	3/4°
2780'	3/4°

Yours Very Truly,


Jack D. Cook



Subscribed and sworn before me this 25th day of April, 1979.


Katharine Jenkins
Notary Public

Commission Expires May 12, 1980