MERIDIAN OIL

July 24, 1989

State of New Mexico Energy and Minerals Department Oil Conservation Division P.O. Box 2088 Santa Fe, NM 87501

Attn: Mr. William J. Lemay, Examiner

Re: Order No. NSL-2676

San Juan 32-5 Unit #108

Mr. Lemay:

Enclosed are the results of a directional survey conducted July 23, 1989, on the subject well. Multi-shot directional survey points were observed from the total depth to the base of the 9 5/8" surface casing. This was conducted to meet the requirements of Order No. NSL-2676 prior to initiating completion operations.

Sincerely,

S. B. Daves

Project Drilling Engineer

OIL CON. DIV.

SBD/adw

xc: Aztec OCD

DEVIATION REPORT

El Paso Natural Gas Co., Post Office Box 4289, Farmington, NM 87499

Lease: San Juan 32-5 Unit #108

NE Sec. 27, T-32-N, R-6-W, Rio Arriba County, New Mexico

Pool: Basin Fruitland Coal

Multi-shot directional survey conducted July 23, 1989

Closure: Distance 25.95', Direction 284.17° (True North)

| | | Ho1e | True |
|-------------|--------------------|--------------|-------------|
| Survey | | Direction | Vertical |
| Depth (Ft.) | <u>Inclination</u> | (True North) | Depth (Ft.) |
| | | | |
| 394 | 0.00 | 0 | 394.00 |
| 447 | 0.15 | 271.5 | 447.00 |
| 540 | 0.30 | 177.5 | 540.00 |
| 633 | 0.30 | 178.5 | 632.99 |
| 725 | 0.30 | 142.5 | 724.99 |
| 818 | 0.45 | 239.5 | 817.99 |
| 911 | 0.45 | 246.5 | 910.98 |
| 1003 | 0.30 | 279.5 | 1002.97 |
| 1096 | 0.45 | 270.5 | 1095.97 |
| 1189 | 0.45 | 283.5 | 1188.96 |
| 1281 | 1.00 | 335.5 | 1280.95 |
| 1374 | 1.00 | 315.5 | 1373.93 |
| 1466 | 0.45 | 286.5 | 1465.92 |
| 1559 | 1.00 | 269.5 | 1558.91 |
| 1652 | 0.45 | 261.5 | 1651.90 |
| 1744 | 0.30 | 301.5 | 1743.89 |
| 1837 | 0.15 | 287.5 | 1836.89 |
| 1930 | 0.15 | 174.5 | 1929.89 |
| 2022 | 0.15 | 181.5 | 2021.89 |
| 2115 | 0.15 | 335.5 | 2114.89 |
| 2208 | 0.45 | 325.5 | 2207.89 |
| 2300 | 0.30 | 346.5 | 2299.88 |
| 2393 | 1.00 | 277.5 | 2392.87 |
| 2486 | 1.15 | 276.5 | 2485.85 |
| 2578 | 1.00 | 312.5 | 2577.84 |
| 2671 | 0.45 | 297.5 | 2670.83 |
| 2763 | 1.00 | 281.5 | 2762.81 |
| 2856 | 1.00 | 292.5 | 2855.80 |
| 2949 | 1.00 | 274.5 | 2948.79 |
| 3041 | 1.00 | 285.5 | 3040.77 |
| 3134 | 1.00 | 319.5 | 3133.76 |

I, the undersigned, certify that I, acting in my capacity as Petroleum Engineer on behalf of El Paso Natural Gas Company, am authorized by said Company to make this report; and that this report was prepared by me or under my supervision and directions and that the facts stated herein are true to the best of my knowledge and belief.

Subscribed and sworn to before me this 24th day of July, 1989.

My commission expires September 21, 1992.