



DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

KEN REYNOLDS-PRESIDENT
GARY W. CHAPPELL-VICE PRESIDENT

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

March 23, 1998

Paladin Energy Corporation
10290 Monroe Dr. Suite 301
Dallas, Texas 75229

RE: N. M State "C" #3 Unit E 1550/W & 10/W 36-13s-37e
30-025-3423e

Gentlemen:

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

Table with 6 columns of depth measurements and directional indicators (e.g., 414' - 1/4, 4,445' - 2 3/4, 6,574' - 1, 8,632' - 1, 10,765' - 2 3/4).

Sincerely,
Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
COUNTY OF CHAVES )

The foregoing was acknowledged before me this 23rd day of March 1998 by Gary W. Chappell.

MY COMMISSION EXPIRES
JUNE 20, 2000

[Signature]
NOTARY PUBLIC

Handwritten mark

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