Mr. Frank Chavez New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, New Mexico 87410 February 3, 1986

OIL CON: DIV

Re: Yates Drilling Company #1 Gillespie Federal Sec. 48, T23N, R8W 2285' FSL & 2055' FEL Federal Lease # NM-26659 Wildcat Gallup San Juan County New Mexico

Dear Sir:

Please accept the following as the deviation record for the above referenced well.

254'- 1/8 degree

750'- 3/4 degree

1254'- 1.0 degree

1755'- 1.0 degree

2567'- 2.0 degree

2787'- 1.0 degree

3601'- 1/2 degree

4130'- 1/2 degree

4630'- 1/2 degree

4950'- 3/4 degree

Sincerely,

Wayne Townsend

Agent

Subscribed and sworn before me this February 3, 1986

Notary Public

My commission expires //-4-89