

# L & M DRILLING, INC.

**OIL WELL DRILLING CONTRACTORS**  
**PO BOX 1370      ARTESIA, NEW MEXICO 88211-1370**  
**(505) 746-4405    746-3518    748-2205**

March 16, 2000

Mack Energy Corporation  
PO Drawer 960  
Artesia, NM 88211-0960

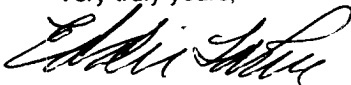
RE:      Melrose Federal #3  
         1650' FNL & 990' FWL  
         Sec. 23, T17S, R30E  
         Eddy County, New Mexico

Gentlemen:

The following is a Deviation Survey for the above captioned well.

DEPTH	DEVIATION
425'	2°
917'	2°
1230'	2°
1726'	1 1/4°
2220'	1 1/4°
2580'	1 3/4°
3060'	3/4°
3560'	3/4°
4060'	2°
4556'	1 1/2°
5014'	1°

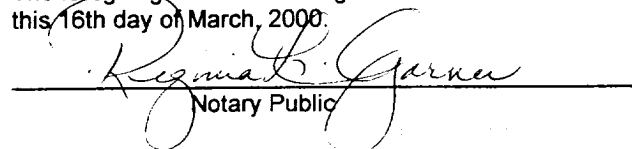
Very truly yours,



Eddie C. LaRue  
Vice President

STATE OF NEW MEXICO      }  
COUNTY OF EDDY                }

The foregoing was acknowledged before me  
this 16th day of March, 2000:

  
\_\_\_\_\_  
Notary Public

