

**L & M DRILLING, INC. — Oil Well Drilling Contractors**

P. O. BOX 470 / ARTESIA, NEW MEXICO 88210

May 20, 1992

Siete Oil & Gas Corporation  
PO Box 2523  
Roswell, NM 88202

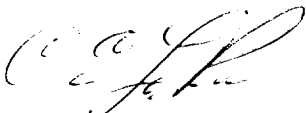
RE: Arco Federal No. 5  
660' FNL & 560' FEL  
Sec. 23, T18S, R31E  
Eddy County, New Mexico

Gentlemen:

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

| DEPTH | DEVIATION |
|-------|-----------|
| 360'  | 3/4°      |
| 621'  | 1/4°      |
| 1140' | 1/2°      |
| 1662' | 1/2°      |
| 2162' | 1 1/2°    |
| 2660' | 3/4°      |
| 3159' | 3/4°      |
| 3657' | 1/2°      |
| 4154' | 1/2°      |
| 4450' | 1/2°      |

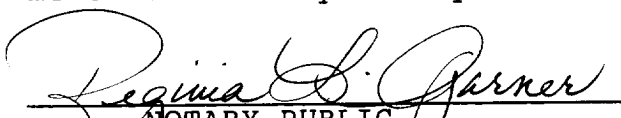
Very truly yours,



C. E. LaRue  
Vice President

STATE OF NEW MEXICO §  
COUNTY OF EDDY §

The foregoing was acknowledged before  
me this 20th day of May, 1992.

  
NOTARY PUBLIC

