



KEN REYNOLDS-PRESIDENT  
GARY W. CHAPPELL-VICE PRESIDENT

DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

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

August 21, 1997

Yates Petroleum Company  
105 S. 4th Street  
Artesia, New Mexico 88210

RE: Apollo "APU" Federal Com #2

Gentlemen:

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

|                |                |                |                |                |
|----------------|----------------|----------------|----------------|----------------|
| 484' - 1/2°    | 3953' - 1 1/2° | 5109' - 3°     | 5866' - 4°     | 6610' - 3 1/4° |
| 984' - 3/4°    | 4419' - 2 1/4° | 5204' - 2 3/4° | 5960' - 4°     | 6704' - 3°     |
| 1126' - 1 1/2° | 4513' - 2 1/4° | 5299' - 3°     | 6055' - 3 1/2° | 6797' - 2 1/2° |
| 1594' - 3/4°   | 4640' - 2 1/2° | 5393' - 3°     | 6150' - 3 1/2° | 6890' - 2 1/4° |
| 2073' - 3/4°   | 4734' - 2 3/4° | 5488' - 3°     | 6244' - 3 1/2° | 7360' - 2 3/4° |
| 2543' - 1°     | 4827' - 3°     | 5581' - 3 1/2° | 6337' - 3 3/4° | 7853' - 1 1/2° |
| 3015' - 1 1/4° | 4921' - 3°     | 5675' - 3 1/2° | 6426' - 3 1/4° | 8017' - 3/4°   |
| 3479' - 1 1/4° | 5016' - 2°     | 5770' - 3°     | 6515' - 4°     | 8140' - 3/4°   |

Sincerely,

Gary W. Chappell  
Contracts Manager

STATE OF NEW MEXICO)  
COUNTY OF CHAVES )

The foregoing was acknowledged before me this 21st day of August 1997 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000

NOTARY PUBLIC