



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

September 20, 1999

KCS Medallion Resources, Inc.
7130 South Lewis Avenue, Suite 700
Tulsa, Oklahoma 74136-5489

RE: W. Shugart "19" #4
Sec. 19, T-18-S, R-31-E
Eddy County, New Mexico



Gentlemen:

The following is a Deviation Survey on the referenced well:

260' - 1/4°	2,810' - 1 3/4°	5,099' - 1 3/4°	6,120' - 1 1/4°
500' - 1/4°	3,300' - 1 1/2°	5,254' - 2 1/4°	6,617' - 1°
959' - 1/2°	3,797' - 2°	5,346' - 2°	7,115' - 1 1/4°
1,456' - 3/4°	3,952' - 1°	5,439' - 2°	7,642' - 1 1/2°
1,953' - 3/4°	4,449' - 1°	5,536' - 1 3/4°	8,138' - 1 1/2°
2,450' - 1°	4,913' - 1 3/4°	5,624' - 1 1/4°	8,211' - 1 3/4°
			8,500' - 2 1/4°

Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing was acknowledged before me this 7th day of July 1999 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000

NOTARY PUBLIC