



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

January 7, 2000

Concho Resources, Inc.
110 W. Louisiana, Suite 410
Midland, Texas 79701

RE: W. Shugart "30" Federal #3
Sec. 30, T-18-S, R-31-E
Eddy County, New Mexico

Gentlemen:

The following is a Deviation Survey on the referenced well:

472' - 3/4°	2,730' - 2°	4,982' - 1/2°	7,438' - 1°
770' - 1/2°	2,814' - 1 1/2°	5,456' - 1/2°	7,938' - 3/4°
1,262' - 2 1/2°	3,313' - 1 1/4°	5,952' - 1 1/4°	8,420' - 3/4°
1,737' - 1°	4,307' - 1°	6,449' - 1 1/4°	
2,233' - 2 1/4°	4,804' - 1°	6,945' - 1°	



Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing was acknowledged before me this 7th day of January 2000 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000

NOTARY PUBLIC