

RECEIVED OCT 22 1996

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

October 21, 1996

Read & Stevens, Inc.
P.O. Box 1518
Roswell, New Mexico 88202-1518


RE: Nix Federal #7

Gentlemen:

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

| | | |
|----------------|----------------|----------------|
| 409' - 3/4° | 2080' - 4° | 2512' - 4 1/2° |
| 900' - 1° | 2132' - 6 1/4° | 2602' - 4 1/4° |
| 1178' - 3/4° | 2166' - 6° | 2724' - 3 1/2° |
| 1673' - 2 1/2° | 2264' - 5 3/4° | 2900' - 3° |
| 1770' - 3° | 2359' - 5° | 1894' - 3 1/2° |
| | | 2451' - 4 1/2° |

Sincerely,


Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 21st day of October 1996 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000



NOTARY PUBLIC