



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

June 17, 1997

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

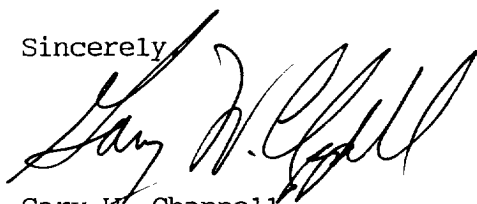
RE: Stonewall "DD" State Com #3

Gentlemen:

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

286' - 1/4°	2800' - 1°	5525' - 1 1/2°	8237' - 2°	10910' - 2°
542' - 1 1/2°	3292' - 3/4°	5995' - 1 1/4°	8734' - 2°	11103' - 1 1/4°
1036' - 1 1/2°	3757' - 1°	6460' - 3/4°	8965' - 2°	11450' - 1 3/4°
1511' - 1 1/2°	4069' - 2°	6959' - 1 1/2°	9453' - 2°	
2011' - 1 1/4°	4532' - 1°	7427' - 1 1/2°	9939' - 2°	
2476' - 1°	5032' - 1°	7738' - 2°	10417' - 2°	

Sincerely,


Gary W. Chappell
Contracts Manager

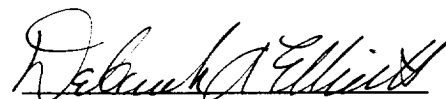
STATE OF NEW MEXICO)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 17th day of June 1997 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000





NOTARY PUBLIC