

L & M DRILLING, INC.

OIL WELL DRILLING CONTRACTORS
PO BOX 1370 ARTESIA, NEW MEXICO 88211-1370
(505) 746-4405 746-3518 748-2205

March 24, 1998

Yates Petroleum Corporation
105 South Fourth
Artesia, NM 88210

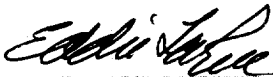
RE: Jacque AQJ State #1
330' FSL & 300' FEL
Sec. 34, T21S, R31E
Eddy County, New Mexico

Gentlemen:

The following is a Deviation Survey for the above captioned well.

DEPTH	DEVIATION	DEPTH	DEVIATION
240'	3/4	3450'	4 1/4
488'	3/4	3543'	4
840'	1	3636'	2 3/4
1099'	3/4	3697'	3 1/2
1590'	3/4	3761'	3
2092'	2	3823'	3 1/2
2340'	2 1/4	3869'	3 1/2
2587'	2 3/4	3881'	2 1/4
2680'	3 3/4	3950'	2
2772'	3	4026'	1 3/4
2864'	3 1/4	4521'	1 3/4
2958'	3 1/2	5014'	3/4
3051'	3 1/2	5507'	1/2
3145'	4	6002'	1
3268'	4 1/4	6503'	1
3329'	4 1/4	7000'	3/4
3390'	4 1/4	7528'	1
		8120'	1 1/2

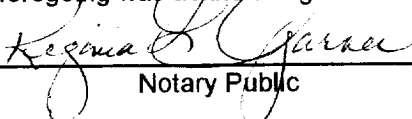
Very truly yours,



Eddie C. LaRue
Vice President

STATE OF NEW MEXICO
COUNTY OF EDDY

The foregoing was acknowledged before me this 24th day of March, 1998.


Notary Public