



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

August 21, 1998

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

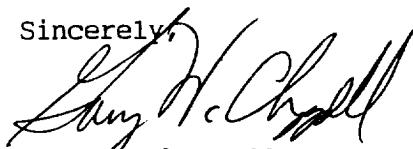
RE: Little Box Canyon "AOX" Federal #2

Gentlemen:

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

481' - 1/2°	2,223' - 3/4°	4,843' - 1°	7,201' - 1 1/4°
952' - 3/4°	2,665' - 1/4°	5,317' - 1°	7,481' - 1 1/2°
1,395' - 3/4°	3,138' - 1/4°	5,791' - 1°	7,924' - 1 3/4°
1,810' - 1°	4,052' - 1/4°	6,255' - 1 3/4°	8,440' - 2°
1,995' - 3/4°	4,368' - 3/4°	6,728' - 1 1/4°	

Sincerely,

  
Gary W. Chappell  
Contracts Manager

STATE OF NEW MEXICO)  
)  
COUNTY OF CHAVES )

The foregoing was acknowledged before me this 21st day of August 1998 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000



NOTARY PUBLIC