

DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

KEN REYNOLDS-PRESIDENT
GARY W. CHAPPELL-VICE PRESIDENT

P. O. BOX 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 505/746-2719
ROSWELL, NM ARTESIA, NM

March 15, 1996

Santa Fe Energy Resources, Inc.
550 W. Texas, Suite 1330
Midland, Texas 79701

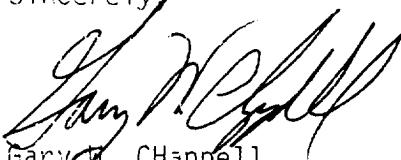
RE: Charger "29" Federal #1

Gentlemen:

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

| | | | |
|----------------|----------------|----------------|----------------|
| 462' - 1/4° | 2600' - 2° | 3947' - 1/4° | 6382' - 1 1/4° |
| 634' - 1/2° | 2757' - 3° | 4447' - 1/2° | 6735' - 1 1/4° |
| 1130' - 1° | 3006' - 3° | 4908' - 1/4° | 7235' - 1° |
| 1630' - 1 1/4° | 3320' - 2 3/4° | 5408' - 1° | 7450' - 1° |
| 2129' - 1 1/4° | 3448' - 1 1/2° | 5882' - 1 1/4° | |

Sincerely,

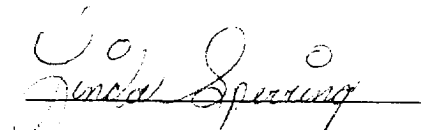

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO }
COUNTY OF CHAVES }

The foregoing was acknowledged before me this 15th day of March 1996 by
Gary W. Chappell.

MY COMMISSION EXPIRES

October 07, 1996


NOTARY PUBLIC