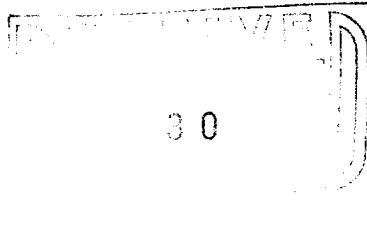


Telephone (505) 746-4405
FAX (505) 748-2205

L & M DRILLING, INC. — Oil Well Drilling Contractors

P.O. BOX 470 / ARTESIA, NEW MEXICO 88210



A.F.E.	Account
Office	W.H.
L.O.E.	Check
Drilling	W.H. No.
	Pay Date

March 28, 1994

Siete Oil & Gas Corporation
PO Box 2523
Roswell, NM 88202

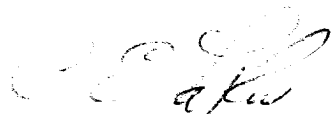
RE: Osceola State #1
1980' FNL & 990' FEL
Sec. 1, T25S, R28E
Eddy County, New Mexico

Gentlemen:

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

DEPTH	DEVIATION
605'	1/2°
1160'	3/4°
1574'	1 1/4°
2156'	1 1/4°
2645'	1 3/4°
3174'	1°
3660'	1/2°
4198'	1°
4685'	3/4°
5192'	3/4°
5721'	1°
6400'	3/4°

Very truly yours,


C. E. LaRue
Vice President

STATE OF NEW MEXICO §
COUNTY OF EDDY §

The foregoing was acknowledged before
me this 28th day of March, 1994.


REGINA L. GARNER
NOTARY PUBLIC

