



DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

KEN REYNOLDS—PRESIDENT
ARNIE NEWKIRK—VICE-PRESIDENT

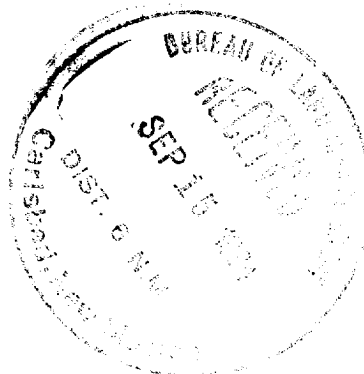
P. O. Box 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070
ROSWELL, NM

505/746-2719
ARTESIA, NM

RECEIVED

OCT 13 '94

O. C. D.
ARTESIA, OFFICE



August 19, 1994

Santa Fe Energy Operating Partners, LTD
550 W. Texas, Suite 1330
Midland, Texas 79701

RE: Palladium "13" #1

Gentlemen:

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

423' - 3/4°
867' - 1°
1367' - 1 3/4°
1869' - 1 1/4°
2369' - 2 1/2°
2867' - 2°

3363' - 2 1/2°
3863' - 2 3/4°
4145' - 3°
4443' - 1 1/2°
4943' - 1 1/2°
5445' - 1/2°

5944' - 1°
6444' - 3/4°
6944' - 3/4°
7444' - 1°
7918' - 1 1/4°
8170' - 2°

Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO }
COUNTY OF CHAVES }

The foregoing was acknowledged before me this 19th day of August 1994 by Gary W. Chappell.

MY COMMISSION EXPIRES

October 07, 1996

NOTARY PUBLIC