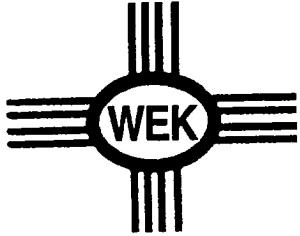


7-29-97

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

July 28, 1997

Merit Energy Company  
3825 Andrews Hwy, Suite 113  
Midland, Texas 79703


RE: Sundance Federal #22

Gentlemen:

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

500' - 1°	2413' - 1 1/2°	4665' - 3/4°	7028' - 1/2°
650' - 1°	2913' - 1 1/4°	5147' - 1°	7462' - 1/2°
964' - 1°	3384' - 1°	5616' - 1°	7658' - 1/2°
1444' - 3/4°	3854' - 2°	6088' - 1°	8095' - 1°
1942' - 3/4°	4200' - 1 1/2°	6559' - 3/4°	8250' - 1/4°

Sincerely,



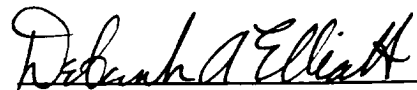
Gary W. Chappell  
Contracts Manager

STATE OF NEW MEXICO)  
COUNTY OF CHAVES )

The foregoing was acknowledged before me this 28th day of July 1997 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000



NOTARY PUBLIC