

Bearcat Drilling, LLC

5424 US Highway 64
Farmington, NM 87401

PO Box 717
Farmington, NM 87499

Phone: 505-327-5218
FAX: 505-564-9185

December 17, 2002

Phoenix Hydrocarbons Operating Corporation
Attn. Phyllis

30-045-30802

FAX: 915-686-7798

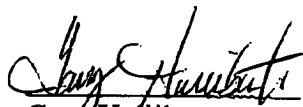
Re: Deviation Report
Federal I #1A
Section 15/27N/8W
San Juan, NM

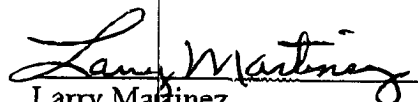
Phyllis,

The following surveys were taken by our crews on Rig #1 during the drilling of the above mentioned well.

93' $\frac{3}{4}$	2195' $1\frac{1}{2}$	4716' $1\frac{1}{4}$
244' $\frac{3}{4}$	2505' $2\frac{1}{2}$	
484' 1	2858' 1	
720' $1\frac{1}{2}$	3128' 1	
1231' 2	3551' $1\frac{3}{4}$	
1477' M.R.	4126' $2\frac{1}{4}$	
1570' $1\frac{1}{2}$	4469' 2	

Sincerely,


Gary Halliburton
Safety/Personnel/Contracts


Larry Martinez
Asst. Drilling Superintendent