

L & M DRILLING, INC.

OIL WELL DRILLING CONTRACTORS

PO BOX 1370 ARTESIA, NEW MEXICO 88211-1370
(505) 746-4405 746-3518 748-2205

November 13, 1996

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88210

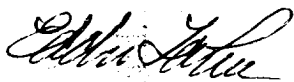
RE: Nickey RF Federal #3
2310' FSL & 2310' FWL
Sec. 19, T7S, R26E
Chaves County, New Mexico

Gentlemen:

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

DEPTH	DEVIATION
507'	1/4°
1041'	1/2°
1511'	1°
2008'	1 1/2°
2495'	1 1/2°
2995'	1 1/2°
3486'	1 3/4°
3991'	1 3/4°
4330'	1 1/4°

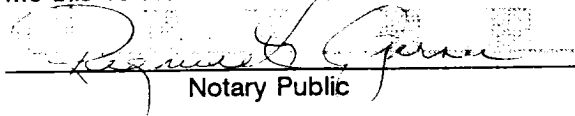
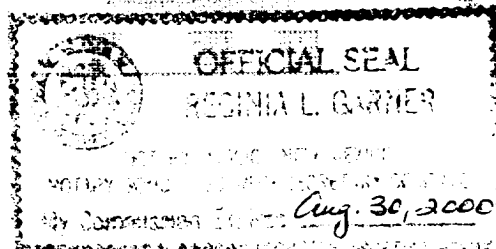
Very truly yours,



Eddie C. LaRue
Vice President

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before
me this 13 November 1996.


Notary Public

RECEIVED
DEC 11 8 32 AM '96

SERVING SOUTHEAST NEW MEXICO AND WEST TEXAS SINCE 1978