

L & M DRILLING, INC.

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

March 29, 2000

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88219

RE: Horn YG Federal #2
1500' FSL & 1160' FEL
Sec. 10, T8S, R26E
Chaves County, New Mexico

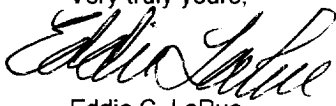
Gentlemen:

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

| DEPTH | DEVIATION |
|-------|-----------|
| 344 | 1/4° |
| 552' | 1/4° |
| 1161' | 1/4° |
| 1691' | 1/2° |
| 2166' | 1/2° |
| 2690' | 1/2° |
| 3277' | 3/4° |
| 3740' | 1 1/4° |
| 4243' | 1 1/2° |
| 4734' | 3/4° |
| 5294' | 1° |
| 5704' | 3/4° |
| 6000' | 3/4° |
| 6040' | 3/4° |

RECEIVED
OCD - ARTESIA

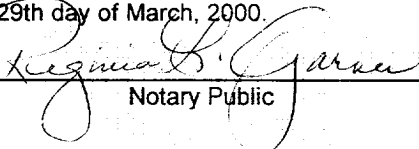
Very truly yours,



Eddie C. LaRue
Vice President

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 29th day of March, 2000.


Notary Public

