

# L & M DRILLING, INC.

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

March 26, 2001

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88219

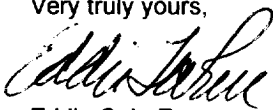
RE: Margaret RQ State #5  
1500' FSL & 1500' FEL  
Sec. 36, T4S, R24E  
Chaves County, New Mexico

Gentlemen:

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

DEPTH	DEVIATION	DEPTH	DEVIATION
506'	3/4°	3389'	3/4°
900'	1/2°	3892'	3/4°
1445'	1°	4079'	1°
1928'	1°	4549'	1°
2423'	1/2°	4936'	1°
2891'	3/4°	5450'	1°

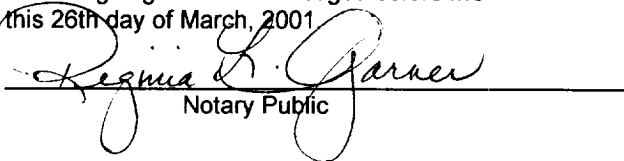
Very truly yours,



Eddie C. LaRue  
Vice President

STATE OF NEW MEXICO       }  
COUNTY OF EDDY            }

The foregoing was acknowledged before me  
this 26th day of March, 2001

  
Notary Public