

L & M DRILLING, INC.

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

July 9, 2001

Yates Petroleum Corporation
105 South Fourth Street
Artesia, NM 88219

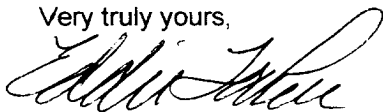
RE: Binnion TT Federal #7
660' FNL & 660' FEL
Sec. 24, T7S, R25E
Chaves County, New Mexico

Gentlemen:

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

DEPTH	DEVIATION	DEPTH	DEVIATION
390'	3/4°	2834'	3/4°
915'	3/4°	3330'	3/4°
1336'	1/2°	3829'	3/4°
1839'	1/2°	4397'	1°
2336'	1/2°	4858'	1°
		5150'	1 1/4

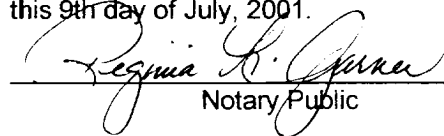
Very truly yours,



Eddie C. LaRue
Vice President

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 9th day of July, 2001.



Notary Public

Aug. 30, 2004