L & M DRILLING, INC.

OIL WELL DRILLING CONTRACTORS

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

August 24, 2001

Yates Petroleum Corporation 105 South Fourth Street Artesia, NM 88219

RE:

GYP MO Fed. Com #2 660' FNL & 1980' FEL Sec. 35, T5S, R24E

Chaves County, New Mexico

Gentlemen:

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

DEPTH	DEVIATION	DEPTH	DEVIATION
396'	1/ 4 °	3756'	1°
918'	1/ 4 °	4237'	2 °
1528'	1°	4735'	3 3/4°
2096'	1/2°	4868'	4 °
2588'	1 1/4°	4930'	3 1/2°
3084'	3/4°	5116'	2 3/4°
3580'	1/2°	5211'	2 °
		5350'	no picture

Very truly yours,

C. E. LaRue President

STATE OF NEW MEXICO COUNTY OF EDDY

The foregoing was acknowledged before me

this 24th day of August, 2001_

Notary Public

OFFICIAL SEAL
REGINIA L. GARNER
HETARY PUBLIC - NEW MERKE
NOTION SOME ALLE WITH SECRETARY OF CLASS
NY COMMERCIAIN EXPIRES GLOQ 30, 2004