



KEN REYNOLDS-PRESIDENT
GARY W. CHAPPELL-VICE PRESIDENT

DRILLING CO., INC. - OIL WELL DRILLING CONTRACTORS

P. O. Box 1498 ROSWELL, NEW MEXICO 88202-1498
505/623-5070 505/746-2719
ROSWELL, NM ARTESIA, NM

September 28, 1998

KCS Medallion Resources, Inc.
7130 South Lewis Ave., Suite 700
Tulsa, Oklahoma 74136-5489

RE: Shugart "19" #1

Gentlemen:

The following is a Deviation Survey on the above referenced well located in Eddy County, New Mexico.

90' - 1/4°	2,375' - 1 1/4°	5,347' - 1 3/4°	7,554' - 1 1/2°
480' - 3/4°	2,830' - 1 1/2°	5,568' - 2°	8,030' - 1/2°
941' - 1 1/4°	3,295' - 3/4°	5,820' - 1 1/2°	8,230' - 1°
1,403' - 1 1/2°	3,768' - 1°	6,167' - 1 1/4°	8,726' - 3/4°
1,647' - 1 1/4°	4,218' - 1°	6,420' - 1°	9,190' - 3/4°
1,901' - 1°	4,715' - 1 1/2°	6,987' - 1°	9,667' - 2 1/4°
2,160' - 1 1/2°	4,999' - 1 1/2°	7,072' - 1/2°	10,167' - 2°
			10,275' - 2°

Sincerely,

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing was acknowledged before me this 28th day of September 1998 by Gary W. Chappell.

MY COMMISSION EXPIRES

JUNE 20, 2000

NOTARY PUBLIC



RECEIVED
DEC 02 98
PLM
ROSWELL, NM