



DRILLING INC. Oil Well Drilling Contractor

Post Office Box 160 • Artesia, NM 88211-0160 • Office (505) 748-8704 • Fax (505) 748-8719

June 2, 2006

30-025-37701

Chi Operating Inc
P O Box 1799
Midland, TX 79704

Re: Mesa Verde Federal #1
Section 1, T-22-S, R-33-E
Lea County, New Mexico

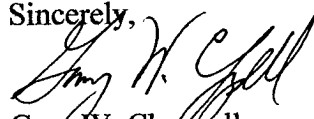
Attn: John Wolf

Unit J
1980/S & 1980/E

The following is a Deviation Survey on the referenced well in Lea County, New Mexico:

149' - 1/2°	3086' - 1 1/2°	5676' - 1 1/2°	8724' - 3/4°	12,791' - 1 1/4°
471' - 3/4°	3368' - 1 1/2°	5960' - 1 1/4°	9038' - 1/2°	13,061' - 1 1/2°
703' - 1 1/4°	3556' - 1 1/2°	6226' - 1 1/4°	9382' - 1 1/4°	13,538' - 2°
929' - 1/2°	3932' - 1°	6497' - 1°	9635' - 1 1/4°	14,168' - 2°
1326' - 1°	4153' - 1°	6845' - 1 1/4°	10,102' - 1 1/4°	14,257' - 2°
1590' - 1 1/2°	4340' - 1 1/2°	7127' - 1/2°	10,605' - 1°	14,665' - 1 3/4°
1860' - 1°	4530' - 1 1/4°	7406' - 1°	11,082' - 1 1/4°	15,004' - 2°
2205' - 1°	4782' - 1 1/4°	7751' - 1 1/4°	11,364' - 1 1/4°	
2487' - 1°	5204' - 1°	8097' - 1/2°	11,830' - 2°	
2770' - 1 1/4°	5439' - 1 3/4°	8378' - 1 1/2°	12,257' - 1 1/2°	

Sincerely,


Gary W. Chappell
Contracts Manager

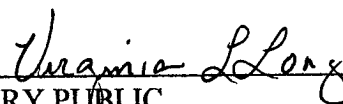
STATE OF NEW MEXICO)

COUNTY OF CHAVES)

The foregoing was acknowledged before me this 2nd day of June, 2006 by Gary W. Chappell.

MY COMMISSION EXPIRES

June 19th, 2007


NOTARY PUBLIC

