



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

July 15, 1996

Manzano Oil Corporation
P.O. Box 2107
Roswell, N.M. 88202-2107

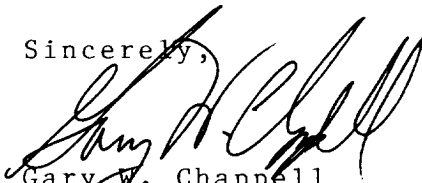
3D-025-33466

Re: ^{SV} Chipshot #1 Unit K 11-16s-3be 2164/S & 1362/W

The following is a deviation survey on the above referenced well located in Lea County, New Mexico.

414' - 1 1/4°	3301' - 2°	6042' - 2 1/2°	9019' - 1 1/2°
892' - 1/4°	3793' - 2°	6538' - 1 1/2°	9522' - 1 1/2°
1156' - 3/4°	4267' - 1 3/4°	6798' - 1 3/4°	10031' - 1 1/4°
1674' - 3/4°	4352' - 2°	7290' - 3/4°	10475' - 1 1/2°
2045' - 1/2°	4843' - 1 3/4°	7824' - 1 1/2°	10605' - 1 1/2°
2526' - 3/4°	5346' - 1 1/2°	8327' - 1 1/4°	11117' - 1 1/4°
3053' - 2°	5850' - 2 1/2°	8527' - 1 1/2°	11605' - 1 1/4°
			11954' - 1 1/2°

Sincerely,

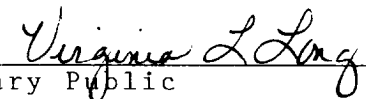

Gary W. Chappell
Contracts Manager

STATE OF NEW MEXICO)
SS)
COUNTY OF CHAVES)

The foregoing was acknowledged before me this 15th day of July 1996 by Gary W. Chappell.

My Commission Expires:

06/19/99


Notary Public