

L & M DRILLING, INC.

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

December 29, 1997

Shahara Oil Corporation
PO Box 3232
Carlsbad, NM 88220

RE: Phillips State #10
2625' FNL & 1335' FWL
Sec. 16, T17S, R33E
Lea County, New Mexico

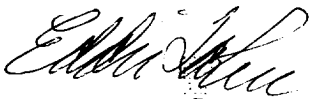
Unit F
30-025-34091

Gentlemen:

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

DEPTH	DEVIATION
508'	1/2
1005'	1/4
1523'	1/4
2056'	1/4
2551'	1/2
3076'	1/2
3565'	3/4
4067'	1/2
4660'	1
4950'	1

Very truly yours,

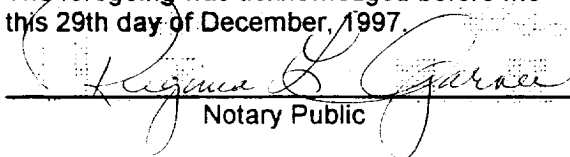


Eddie C. LaRue
Vice President

RECEIVED JAN 10 1998

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 29th day of December, 1997.


Notary Public