

L & M DRILLING, INC.

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

January 16, 1998

Shahara Oil Corporation
PO Box 3232
Carlsbad, NM 88220

RE: Phillips State #101
2630' FSL & 140' FWL
Sec. 16, T17S, R33E
Lea County, New Mexico

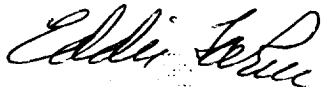
Unit E
30-025-34219

Gentlemen:

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

-DEPTH-	DEVIATION
529'	1/2
1000'	1/2
1505'	1/2
2018'	3/4
2523'	1/2
3006'	1
3571'	1
4069'	1 1/4
4586'	1 1/4
4950'	1 1/2


Very truly yours,



Eddie C. LaRue
Vice President

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before me
this 16th day of January, 1998.


Notary Public

