HENRY ENGINEERING

Petroleum Engineers 807 FIRST NATIONAL BANK BUILDING MIDLAND, TEXAS 79701

February 9, 1982

State of New Mexico Energy and Minerals Department Oil Conservation Division Box 1980 Hobbs, New Mexico 88240

ATTENTION: Mr. Jerry Sexton, Supervisor

RE: David Fasken Consolidated "A" State No. 1 Unit O, Sec. 8, T-17-S, R-37-E, Lea County, New Mexico

Gentlemen:

With reference to the subject well and your letter dated, February 4, 1982, addressed to David Fasken, we did not run deviation surveys due to severe Atoka shale problems. At total depth, we mudded-up sufficiently to control the Atoka shale and log the hole.

As a result we asked Schlumberger to run a continuous directional survey in the open hole from 8-5/8" casing shoe at 4392' to T.D. or tool pick up of 11,908'. The bottom of the hole was computed to be 212.5 feet North and 37.9 feet East of the 8-5/8" casing shoe. A copy of this survey is enclosed for your records.

My work sheet (copy enclosed) indicate the 8-5/8" casing shoe to be 60.7 feet from the surface location. If this displacement is due North or toward the nearest lease line, the bottom of the hole would be at 273.2 feet North and 37.9 feet East of the surface location and still on this lease.

If you have any further questions, please call.

Yours Truly, Robert H. Angevine

RHA/dv