

L & M DRILLING, INC.

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

September 10, 1996

Chi Operating, Inc.
PO Box 1799
Midland, TX 79702

RE: Oyster #1
860' FSL & 1880' FWL
Sec. 22, T19S, R35E
Lea County, New Mexico

Unit N

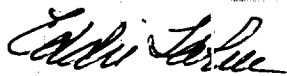
30-025-33525

Gentlemen:

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

DEPTH	DEVIATION
510'	1/4°
1008'	1/4°
1479'	3/4°
1944'	1°
2443'	1 1/4°
2940'	1 1/2°
3432'	2 1/2°
3929'	2 3/4°
4575'	2°
5141'	1 3/4°
5670'	2°
5910'	1°
6475'	1°

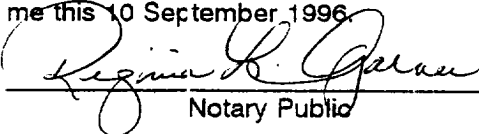
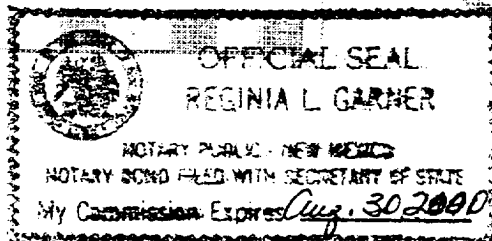
Very truly yours,



Eddie C. LaRue
Vice President

STATE OF NEW MEXICO }
COUNTY OF EDDY }

The foregoing was acknowledged before
me this 10 September 1996.


Notary Public

SERVING SOUTHEAST NEW MEXICO AND WEST TEXAS SINCE 1978