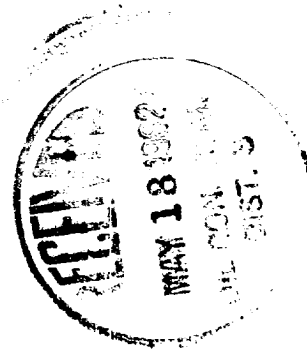




dugan production corp.

May 17, 1982

New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410



Re: Jerome P. McHugh
Gallo Red #1
1780' FSL - 980' FWL
Sec 14 T23N R6W
Rio Arriba County, NM

Gentlemen:

This is to certify that deviation tests were run on the captioned well and the following is a true report of those tests:

1/2° at 188'	3° at 2392'	1 1/2° at 5300'
3/4° at 705'	1 1/2° at 2981'	
1 1/4° at 1220'	1° at 3541'	
2° at 1700'	1 1/2° at 4291'	
2 3/4° at 1975'	1° at 4800'	

Sincerely,

Thomas A. Dugan
Thomas A. Dugan
President

nw

STATE OF NEW MEXICO)
)ss.
COUNTY OF SAN JUAN)

Subscribed and sworn to before me this 17th day of May, 19 82



OFFICIAL SEAL
FRANCES PERRIN
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 5-15-85

Frances Perrin