

dugan production corp.

October 14, 1986

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

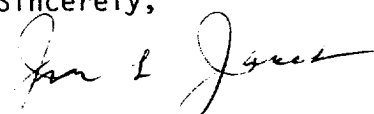
Re: DUGAN PRODUCTION CORP.
Kenny #1
Unit B, 330' FNL - 1650' FEL
Sec. 36, T23N, R7W, NMPM
Sandoval County, NM

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° @ 127'	2° @ 2301'	2° @ 3563'
1/2° @ 188'	1-3/4° @ 2400'	1-1/2° @ 3812'
3/4° @ 682'	2-1/4° @ 2687'	2° @ 4311'
1/4° @ 1186'	2-1/4° @ 2782'	1-1/2° @ 4553'
1-1/2° @ 1715'	2-1/2° @ 3001'	1-1/2° @ 5050'
1-3/4° @ 1873'	2-1/4° @ 3210'	1-1/2° @ 5617'
1-3/4° @ 2052'	2-1/2° @ 3470'	1-1/2° @ 5763'

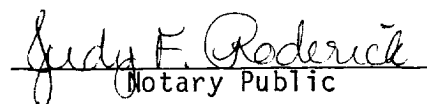
Sincerely,


Jim L. Jacobs

cg

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 14th day of October, 19 86.


Notary Public