

dugan production corp.

February 19, 1986

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

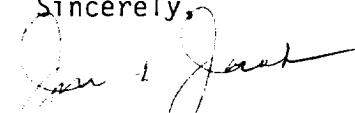
Re: DUGAN PRODUCTION CORP.
Montreal #1
330' FNL - 2310' FWL
Unit C, Sec. 4, T23N, R10W, NMPM
San Juan County, NM

Gentlemen:

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

3/4° @ 206'	1° @ 2767'
1/2° @ 769'	3/4° @ 3302'
3/4° @ 1266'	3/4° @ 3801'
3/4° @ 1767'	1/2° @ 4303'
1-1/4° @ 2267'	3/4° @ 4800'

Sincerely,


Jim L. Jacobs

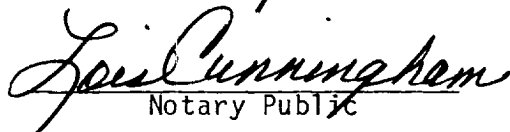
RECEIVED
FEB 20 1986
OIL CON. DIV.
DIST. 3

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 19th day of February, 1986.



OFFICIAL SEAL
LOIS CUNNINGHAM
NOTARY PUBLIC - NEW MEXICO
My Commission Expires: 3/7/87


Notary Public