

dugan production corp.

July 12, 1988

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

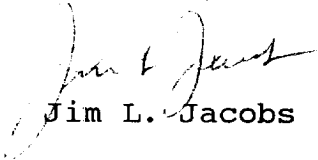
Re: Dugan Production Corp.
Montreal #2
1830' FNL & 660' FWL
Sec. 4, T23N, R10W, NMPM
San Juan County, NM

Gentlemen:

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

1/4° @ 215'	1-3/4° @ 2378'
1° @ 735'	1-3/4° @ 2690'
1-3/4° @ 1142'	1-1/2° @ 3388'
1-1/2° @ 1514'	1-1/2° @ 3710'
1-3/4° @ 1851'	1-1/4° @ 4214'
1-1/4° @ 2100'	1° @ 4642'

Sincerely,

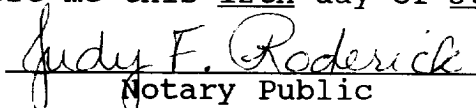

Jim L. Jacobs

cg

RECEIVED
JUL 29 1988
OIL CON. DIV.
DIST. 3

State of New Mexico)
County of San Juan) ss

Subscribed and sworn to before me this 12th day of July, 1988.


Notary Public