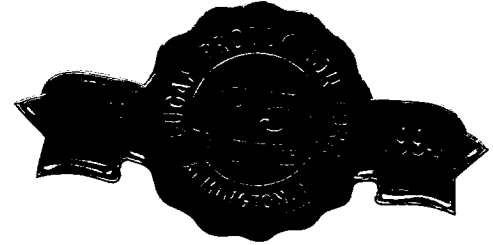


dugan production corp.



May 25, 1994

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



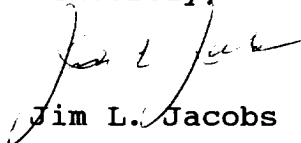
**Re: DUGAN PRODUCTION CORP.**  
Presley #1  
790' FSL & 790' FEL  
Unit P, Sec. 7, T22N, R8W  
San Juan County, NM

Gentlemen:

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

1/2° @ 500'  
3/4° @ 1000'  
1° @ 1305'

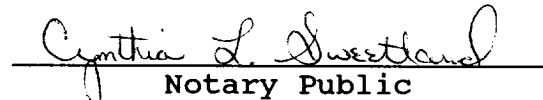
Sincerely,

  
Jim L. Jacobs

cg

State of New Mexico)  
County of San Juan ) ss

Subscribed and sworn to before me this 25th day of May, 1994.

  
Notary Public

My Commission Expires: August 11, 1996.