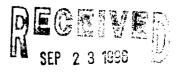


dugan production corp.



September 20, 1996



New Mexico Oil Conservation Division 1000 Rio Brazos Road Aztec, NM 87410 QM COM. DIV

Re: DUGAN PRODUCTION CORP.

Jeter #5

990' FNL & 1300' FEL

Unit A, Sec. 35, T26N, R13W

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' 3/4° @ 1360'

Sincerely,

Jim L. Jacobs

cg

State of New Mexico) County of San Juan)

Subscribed and sworn to before me this 20th day of September, 1996.

Notary Public

My Commission Expires: Aug. 11, 2000