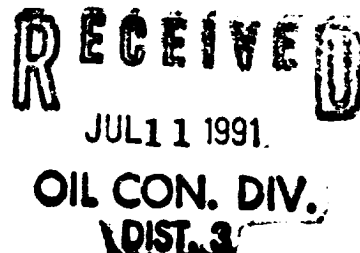




dugan production corp.

July 9, 1991

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



Re: DUGAN PRODUCTION CORP.  
O Henry #1  
790' FSL & 1850' FWL  
Unit N, Sec. 36, T30N, R14W, NMPM  
San Juan County, NM

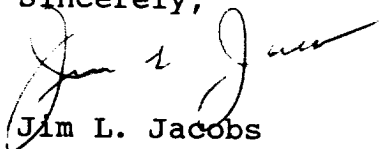
Gentlemen:

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

1° @ 1260'

(Please note that this well was re-entered by Dugan Production Corp., utilizing the original wellbore.)

Sincerely,

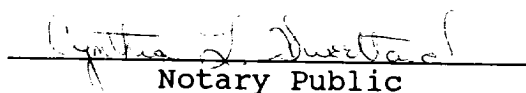


Jim L. Jacobs

cg

State of New Mexico)  
County of San Juan ) ss

Subscribed and sworn to before me this 9th day of July, 1991.



Notary Public

My Commission Expires: August 11, 1992.