

dugan production corp.

February 16, 1981

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

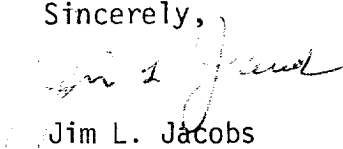
Re: Dugan Production Corp.
Horace Smith #1R
1640' FSL - 1120' FEL
Sec 26 T30N R14W
San Juan County, NM

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" @ 269'	3/4" @ 3093'	1" @ 5201'
1" @ 760'	3/4" @ 3598'	1-1/4" @ 5699'
1" @ 1752'	3/4" @ 4080'	1" @ 5935'
1" @ 2280'	1" @ 4704'	

Sincerely,


Jim L. Jacobs
Geologist



State of New Mexico)
County of San Juan) ss

Subscribed and sworn to before me this 16th day of February 1981.

