

# dugan production corp.

March 16, 1988

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

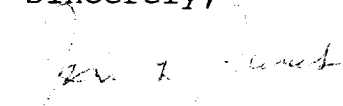
Re: Dugan Production Corp.  
Mary Lou #5  
1980' FSL & 1980' FWL  
Unit K, Sec. 32, T24N, R10W, NMPM  
San Juan County, NM

Gentlemen:

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

|                |                |
|----------------|----------------|
| 3/4° @ 188'    | 3/4° @ 2742'   |
| 3/4° @ 738'    | 1-1/4° @ 3231' |
| 1-1/2° @ 1232' | 1° @ 3740'     |
| 3/4° @ 1732'   | 1-1/4° @ 4231' |
| 3/4° @ 2232'   | 1-1/4° @ 4810' |

Sincerely,

  
Jim L. Jacobs

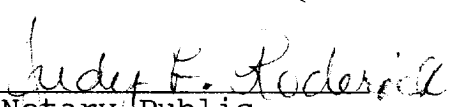
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State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 16th day of March, 1988.

  
Notary Public