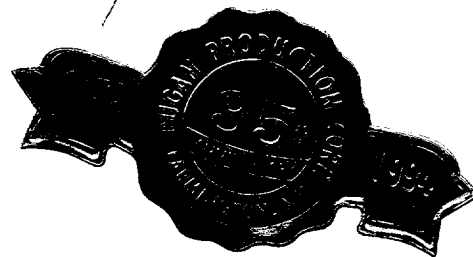


dugan production corp.

October 31, 1994



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

Re: DUGAN PRODUCTION CORP.
Sapp #90
API #30 045 29192
890' FNL & 2410' FEL (NW/4 NE/4)
Unit B, Sec. 29, T24N, R8W
San Juan County, NM

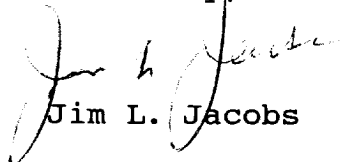
Gentlemen:

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'
1/2° @ 1000'

3/4° @ 1500'
1/2° @ 1720'

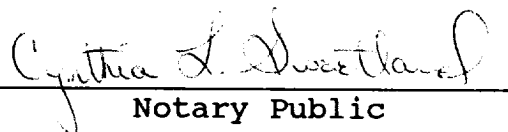
Sincerely,


Jim L. Jacobs

cg

State of New Mexico)
County of San Juan) ss

Subscribed and sworn to before me this 31st day of October, 1994.


Notary Public

My Commission Expires: August 11, 1996.