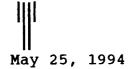


dugan production corp.





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

Re: DUGAN PRODUCTION CORP.

Pierre #2

1850' FSL & 1550' FEL

Unit J, Sec. 23, T23N, R11W

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° @ 1000'

1-1/4° @ 1500'

1-1/4° @ 1600'

Sincerely,

Jim L. Jacobs

cq

State of New Mexico) SS County of San Juan)

Subscribed and sworn to before me this 25th day of May, 1994.

Cynthia d. Sweetland
Notary Public

My Commission Expires: August 11, 1996.