

FOUR CORNERS DRILLING CO.

P. O. BOX 1067
5651 U.S. HWY. 64
FARMINGTON, NEW MEXICO 87499

TELEPHONE: (505) 326-3371
FAX: (505) 326-3370

June 21, 1996

Dugan Production Company
Drilling Department
P O Box 420
Farmington, NM 87499

RECEIVED
JUL 05 1996

OIL CON. DIV.
DIST. 3

**RE: Deviation report on the December Dream #2,
Section 7, Township 23 N, Range 10 W
E San Juan County, New Mexico 9**

Gentlemen:

Below is the deviation report for your December Dream #2:

| | |
|-------|-----|
| 122' | 1¼° |
| 213' | 1¼° |
| 457' | 1¾° |
| 727' | 1° |
| 1227' | 1¾° |
| 1726' | 1½° |
| 2265' | 1¼° |
| 2766' | 1¼° |
| 3038' | 1° |
| 3536' | 1¼° |
| 4096' | 1° |
| 4593' | 1° |
| 4981' | ¼° |

Sincerely,

FOUR CORNERS DRILLING COMPANY



Gary Miller
Drilling Superintendent

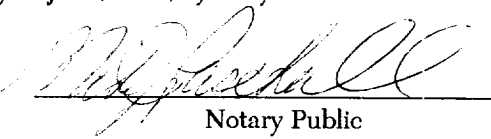
GM/tdd

June 21, 1996
December Dream #2
PAGE 2

Acknowledgement

State of New Mexico)
) s.s.
County of San Juan)

The foregoing instrument was acknowledged before me this 21st day of June, 1996, by Gary Miller.



Notary Public

My Commission Expires : 8/26/98
(seal)