

dugan production corp.

August 27, 1981

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

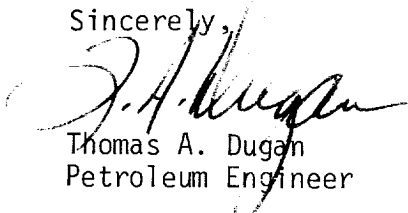
Re: Dugan Production Corp.
Sixteen G's #3
660' FNL - 1950' FWL
Sec 7 T24N R9W
San Juan County, NM

Gentlemen:

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

1/4° at 797'	1° at 3331'	1° at 5181'
1/4° at 1297'	1° at 3828'	1° at 5674'
1/2° at 1797'	1-1/2° at 3921'	1° at 6195'
3/4° at 2392'	1-1/2° at 4423'	1-1/4° at 6400'
3/4° at 2875'	1-1/2° at 4925'	

Sincerely,


Thomas A. Dugan
Petroleum Engineer



State of New Mexico)
County of San Juan) ss

Subscribed and sworn to before me this 27th day of August 19 81.

Frances Perrin



OFFICIAL SEAL
FRANCES PERRIN
GOVERNOR, NEW MEXICO
Vice Secretary of State
My Commission Expires 5-15-85