

dugan production corp.

December 21, 1981

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

Re: Dugan Production Corp.
Holly #1
SW/4 Sec 16 T24N R9W
San Juan County, NM

Gentlemen:

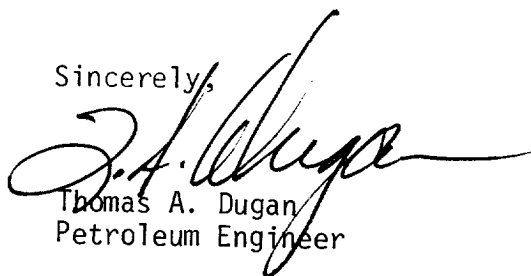
This is to certify that deviation tests were run on the captioned well and the following is a true report of those tests:

3/4° at 620'
3/4 at 1224'
1 at 1626
1 at 2353

3/4° at 2874'
1 at 3360
1-1/4 at 3506'
1-1/2 at 4071'

1-3/4° at 4445'
2 at 4945
1-3/4 at 5482
2 at 6142
1-1/2 at 6471

Sincerely,


Thomas A. Dugan
Petroleum Engineer



State of New Mexico)
County of San Juan) ss

Subscribed and sworn to before me this 24th day of December 19 81.

Frances Perrin



OFFICIAL SEAL
FRANCES PERRIN
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires 5-15-81