November 26, 1985

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

Re:

DUGAN PRODUCTION CORP.

August #1

Unit M, 660' FSL - 660' FWL Sec. 35, T24N,R10W, NMPM San Juan County, NM OIL CON. DIV.

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° | 6 | 210' | 3/4° | 6 | 30891 |
|------|----|-------|--------|---|-------|
| 1/2° | 9 | 715' | 7° | 6 | 3621' |
| 3/4° | 9 | 1215' | 1° | 6 | 40851 |
| 3/4° | 9 | 1746' | 1-1/4° | 0 | 45861 |
| 3/4° | 6 | 2275' | 1° | 6 | 4985' |
| 3/4° | (9 | 25871 | | | |

Sincerely,

Jim L. Jacobs

cg

State of New Mexico) ss County of San Juan)

Subscribed and sworn to before me this 26th day of Therendse, 1985.

OFFICIAL SEAL

LOIS CUNNINGHAM

NOTICE BURGE STORY MEXICO

Noticy Bond Filed with Secretary of State

My Commission Expires: 3/7/87

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