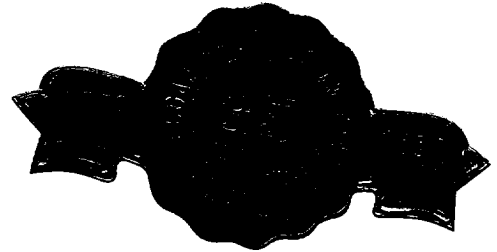


dugan production corp.



May 25, 1994



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

Re: DUGAN PRODUCTION CORP.
Frijole #1
875' FSL & 2205' FWL
Unit N, Sec. 7, T27N, R13W
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:

1/2° @ 500'
3/4° @ 1000'
3/4° @ 1425'

Sincerely,

Jim L. Jacobs
Jim L. Jacobs

cg

State of New Mexico)
County of San Juan) ss

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

Cynthia L. Sweetland

Notary Public

My Commission Expires: August 11, 1996.