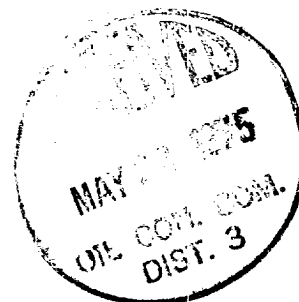


# dugan production corp.

May 20, 1975

Mr. Emery C. Arnold  
N. M. Oil Conservation Commission  
1000 Rio Brazos Road  
Aztec, New Mexico 87410

Re: Lively Exploration Company  
Lively #26  
800' FSL - 1080' FWL  
Section 7, T29N, R8W  
San Juan County, New Mexico

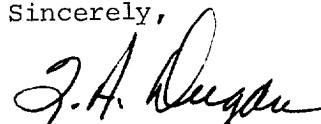


Dear Emery:

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

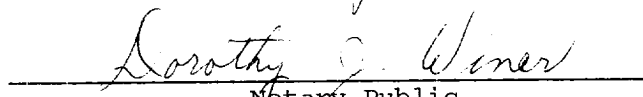
1-1/2° @ 276'	1-1/4° @ 2109'	3/4° @ 5283'
1° @ 782'	3/4° @ 3743'	3/4° @ 5782'
2-1/2° @ 1252'	3/4° @ 4255'	1° @ 6283'
1-3/4° @ 1612'	3/4° @ 4753'	2° @ 6751'

Sincerely,

  
Thomas A. Dugan

State of New Mexico) ss  
County of San Juan )

Subscribed and sworn to before me this 21<sup>st</sup> day of May, 1975.

  
Notary Public

My commission expires November 5, 1978.