

April 26, 1988

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

Re: Dugan Production Corp.
Gibraltar #1
1850' FNL & 1850' FEL
Unit G, Sec.9, T30N, R14W, NMPM
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° @ 480'
1/2° @ 975'
1/2° @ 1250'

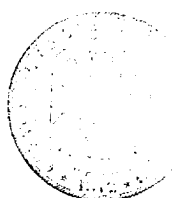
Sincerely,


Jim L. Jacobs

cg/dev-g#1

State of New Mexico)
ss
County of San Juan)

Subscribed and sworn to before me this 26th day of April, 1988.



OFFICIAL SEAL
LOIS CUNNINGHAM
NOTARY PUBLIC - NEW MEXICO
Notary Public Bond with Secretary of State
My Commission Expires: 3/7/91


Notary Public