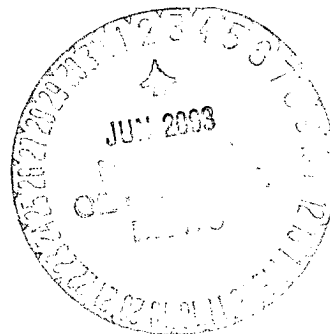


dugan production corp.

May 30, 2003

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



**Re: Dugan Production Corp.**  
*James #90*  
*API #30 045 30779*  
*Unit L, Sec. 24, T22N, R8W*  
*San Juan County, NM*

Ladies/Gentlemen:

Below are the deviations reported by the drilling contractor for the subject well:

1/2° @ 500'

Sincerely,

John Alexander  
Vice-President

JA/tmf

State of New Mexico) ss  
County of San Juan )

Subscribed and sworn to before me this 30th day of May, 2003.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 03/07/07