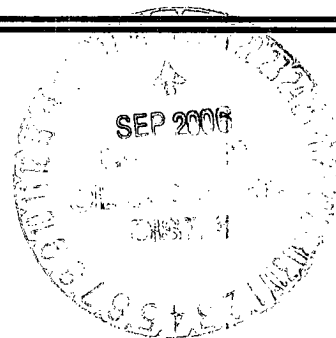


dugan production corp.



September 14, 2006

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

Re: Dugan Production Corp.
Homer Com #90
API #30 045 33456
Unit K, Sec. 29, T24N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

1/4° @ 500'
1° @ 900'
1° @ 1200'

Sincerely,

John Alexander
Vice-President

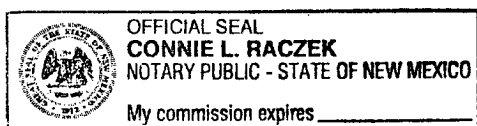
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 14th day of September, 2006.



Notary Public

My Commission Expires: 3/4/08