

dugan production corp.

May 14, 1997

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

Re: Dugan Production Corp.
Little Sis #1
API No. 30 043 20940
Unit K, Sec. 31, T23N, R6W
Sandoval County, NM

RECEIVED
MAY 16 1997

OIL CON. DIV.
DIST. 3

Gentlemen:

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

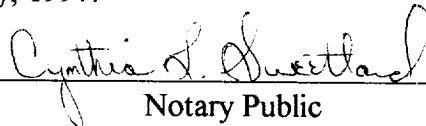
1/2° @ 122'	1 1/4° @ 3186'
1/4° @ 271'	1 1/4° @ 3654'
1° @ 565'	1 1/2° @ 4187'
1 1/4° @ 1063'	3° @ 4683'
1 1/4° @ 1559'	3° @ 4808'
1° @ 2061'	2 1/2° @ 4934'
1 1/2° @ 2560'	2° @ 5089'
1° @ 2685'	1 1/2° @ 5403'
	1° @ 5680'

Sincerely,

Gary Brink

State of New Mexico)
County of San Juan)^{ss}

Subscribed and sworn to before me this 14th of May, 1997.


Notary Public

My Commission Expires: Aug 11, 2000