



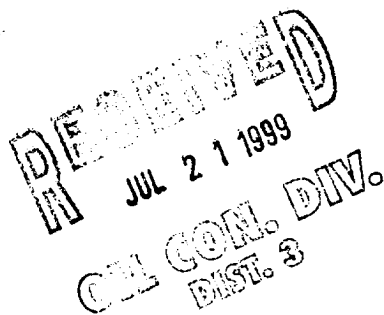
dugan production corp.



July 19, 1999

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

Re: Dugan Production Corp.
Ellington #1
API #30 045 29907
Unit N, Sec. 26, T22N, R8W
San Juan County, NM



Gentlemen:

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

1/2° @ 500'
1/2° @ 1000'
1/2° @ 1390'

Sincerely,

John Alexander
Vice-President

JA/tmf

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

Subscribed and sworn to before me this 19th day of July, 1999.

Notary Public

My Commission Expires: 9/8/01