

dugan production corp.



July 13, 1999

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

Re: Dugan Production Corp.

Zappa #3
API #30 045 29908
Unit P, Sec. 27, T22N, R8W
San Juan County, NM



Gentlemen:

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

1/2° @ 500' 3/4° @ 1000' 3/4° @ 1400'

Sincerely,

John Alexander Vice-President

JA/tmf

State of New Mexico) County of San Juan) ss

Subscribed and sworn to before me this 13th day of July, 1999.

Notary Public

My Commission Expires: