

dugan production corp.

March 24, 1999

Mr. Bruce Martin
New Mexico Oil Conservation Division
1000 Rio Brazos Rd.
Aztec, NM 87410

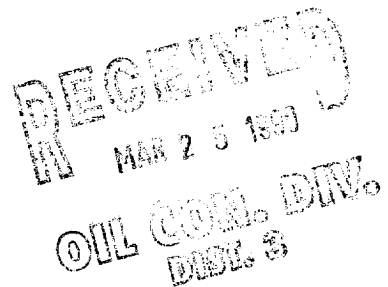
Re: Red Mac 1 J-325N-12W API 30-045-21849

Dear Mr. Martin:

In response to your letter concerning inactive status of the above well, the well is being returned to production.

Sincerely,

John Alexander
Vice President



*Have moved compression in
& found Hole in TB6
To Repair Before 5-1-99
John / CP*