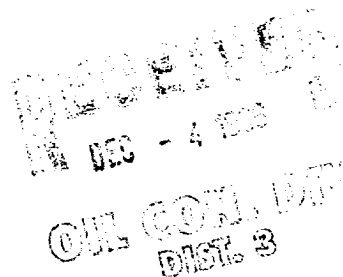


dugan production corp.

November 27, 1996

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

Re: Dugan Production Corp.
Bisti State #90
Unit H, Sec. 2, T25N, R13W
San Juan County, NM



Gentlemen:

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

0° @ 122'
1° @ 500'
1½° @ 1320'

Sincerely,

John Alexander
Vice-President

JA/cg

State of New Mexico) §
County of San Juan)

Subscribed and sworn to before me this 27th day of November, 1996.

Notary Public

My commission expires: Aug. 11 2000