



dugan production corp.

November 4, 2002

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

Re: Dugan Production Corp.
Rachel #91
API # 30-045-29835 NM-61
Unit K, Sec. 34, T-26N, R-12W (NE/4 SW/4)
San Juan County, New Mexico

Gentlemen:

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

1/4° @ 500'
1/2° @ 1,000'

Sincerely,

John Alexander
Vice-President

JA:sh

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 4th day of November, 2002.

Notary Public

My Commission Expires: 9/8/05