



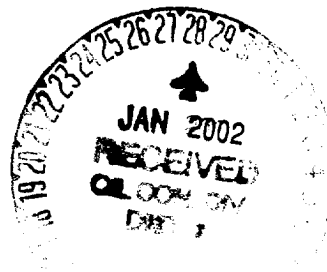
dugan production corp.



January 25, 2002

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

Re: Dugan Production Corp.
Leah Marie #3
API #30 045 30314
Unit E, Sec. 23, T26N, R12W
San Juan County, NM



Gentlemen:

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

1/4° @ 500'
1/2° @ 1,000'
1° @ 1,480'

Sincerely,

John Alexander
John Alexander
Vice-President

JA:sh

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 25th day of January, 2002.

Sharon R. White
Notary Public

My Commission Expires: 9/8/05