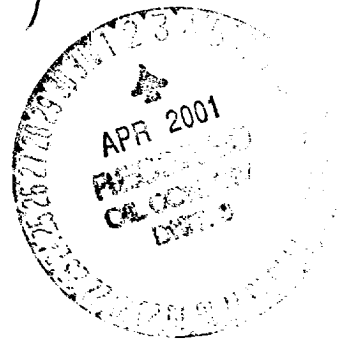


dugan production corp.

March 30, 2001

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



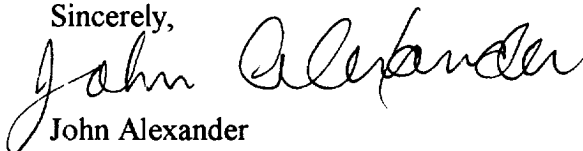
Re: Dugan Production Corp.
Com #2R
API #30 045 30576
Unit B, Sec. 2, T29N, R14W
San Juan County, NM

Gentlemen:

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

0° @ 627'
1/2° @ 1000'
3/4° @ 1250'

Sincerely,


John Alexander
Vice-President

JA/tmf

State of New Mexico)
County of San Juan)^{ss}

Subscribed and sworn to before me this 30th day of March, 2001.



Notary Public

My Commission Expires: 9/8/01