

dugan production corp.

June 18, 2001

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



Re: Dugan Production Corp.
McDaniel B #2
API #30 045 30606
Unit M, Sec. 17, T29N, R11W
San Juan County, NM

Gentlemen:

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

1/4° @ 500'
1/2° @ 1000'
3/4° @ 1500'
3/4° @ 1850'

Sincerely,

John Alexander
John Alexander
Vice-President

JA/tmf

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

Subscribed and sworn to before me this 18th day of June, 2001.

Leis Cunningham

Notary Public

My Commission Expires: 03/07/03