

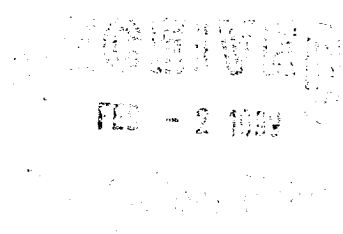


dugan production corp.



February 1, 1999

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



Re: Dugan Production Corp.
State Com #90
API #30 045 29680
Unit H, Sec. 16, T32N, R12W
San Juan County, NM

Gentlemen:

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

1/4° @ 150'	1° @ 1132'
1/4° @ 414'	1° @ 1383'
1/4° @ 621'	1° @ 1629'
1° @ 872'	2° @ 2045'

Sincerely,


John Alexander
Vice-President

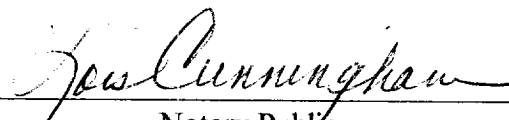
JA/tmf

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

Subscribed and sworn to before me this 1st day of February, 1999.

OFFICIAL SEAL
LOIS CUNNINGHAM
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires:

My Commission Expires: 3/7/99


Notary Public