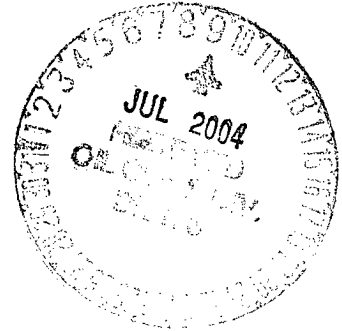


dugan production corp.

July 8, 2004



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

Re: Dugan Production Corp.
Mucho Deal Com #15
API #30 045 32219
Unit M, Sec. 14, T30N, R14W
San Juan County, NM

Ladies/Gentlemen:

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

$\frac{1}{2}^{\circ}$ @ 500'
 $\frac{3}{4}^{\circ}$ @ 1,000'
 $\frac{3}{4}^{\circ}$ @ 1,500'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 8th day of July, 2004.

Notary Public

My Commission Expires: 03/01/07