



dugan production corp.

February 3, 2005

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

Re: **Dugan Production Corp.**
State Com #1B
API #30 045 32284
Unit L Sec. 16, T32N, R12W
San Juan County, NM

(660/E₄) S/2
990FW 1980/5
Rule 111 B 2

Ladies/Gentlemen:

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

3/4° @ 97'	4° @ 1332'	6-3/4° @ 2370'	8 1/2° @ 2982'	11° @ 3948'	12° @ 4480'
1/4° @ 197'	4° @ 1396'	8° @ 2434'	8 1/2° @ 3053'	12° @ 4010'	11° @ 4511'
1 1/4° @ 313'	5-3/4° @ 1544'	8° @ 2465'	8 1/2° @ 3116'	12 1/4° @ 4043'	12° @ 4541'
1-3/4° @ 384'	4 1/4° @ 1638'	8° @ 2495'	10° @ 3293'	13 1/2° @ 4103'	12° @ 4572'
1 1/2° @ 443'	6 1/4° @ 1701'	8° @ 2526'	10° @ 3324'	12° @ 4137'	12° @ 4605'
1-3/4° @ 536'	6 1/2° @ 1774'	7-3/4° @ 2558'	10° @ 3387'	12° @ 4165'	11° @ 4637'
1° @ 625'	6 1/4° @ 1797'	8-3/4° @ 2588'	10 1/4° @ 3463'	12° @ 4199'	10° @ 4667'
2° @ 705'	6 1/4° @ 1888'	8 1/2° @ 2642'	10 1/4° @ 3495'	12° @ 4230'	11 1/2° @ 4698'
2° @ 798'	6 1/4° @ 1951'	8 1/2° @ 2677'	10° @ 3578'	12° @ 4261'	11° @ 4730'
2° @ 902'	6° @ 2087'	8 1/4° @ 2730'	10° @ 3641'	13 1/4° @ 4292'	
2° @ 995'	5-3/4° @ 2150'	8 1/4° @ 2762'	10 1/2° @ 3713'	13° @ 4325'	
3° @ 1085'	7° @ 2213'	8 1/4° @ 2794'	10 1/2° @ 3767'	13° @ 4356'	
3 1/4° @ 1173'	6 1/2° @ 2245'	8 1/4° @ 2856'	10 1/2° @ 3822'	13° @ 4388'	
4 1/4° @ 1261'	6 1/2° @ 2308'	8 1/4° @ 2921'	10 1/4° @ 3885'	13° @ 4418'	

Sincerely,


John Alexander
Vice-President

HOLD C104 FOR NSL

JA/tmf

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 3rd day of February, 2005.


Notary Public

My Commission Expires: 03/07/07