



dugan production corp.

April 8, 2005

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

Re: Dugan Production Corp.
Federal I #101
API #30 045 31785
Unit N, Sec. 1, T29N, R14W
San Juan County, NM



Ladies/Gentlemen:

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

1/4° @ 500'
1° @ 1000'
1 1/4° @ 1320'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

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County of San Juan)

Subscribed and sworn to before me this 8th day of April, 2005.



Connie L. Raczek

Notary Public

My Commission Expires: 3/4/08