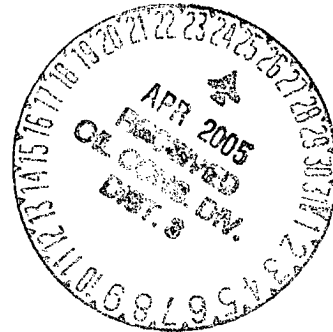


dugan production corp.

April 22, 2005



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

Re: Dugan Production Corp.
Federal I Com #9
API #30 045 31789
Unit C, Sec. 12, T29N, 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'
 $\frac{3}{4}^{\circ}$ @ 1000'

Sincerely,


John Alexander
Vice-President

JA/tmf

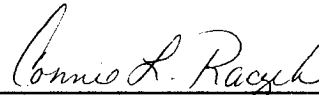
State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 22nd day of April, 2005.




Notary Public

My Commission Expires: 3/4/08