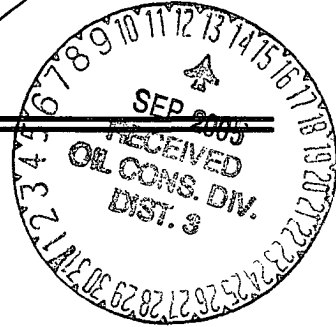


dugan production corp.



September 8, 2005

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

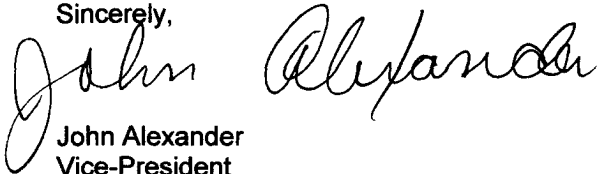
Re: Dugan Production Corp.
Ernie Com #90
API #30 045 32919
Unit B, Sec. 1, T24N, R11W
San Juan County, NM

Ladies/Gentlemen:

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

1° @ 500'
1¼° @ 1000'
1½° @ 1600'

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 September, 2005.




Notary Public

My Commission Expires: 3/4/08