



dugan production corp.

June 27, 2006

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

Re: Dugan Production Corp.
Bisti State Com #1S
API #30 045 32980
Unit K, Sec. 2, T25N, R13W
San Juan County, NM

Ladies/Gentlemen:

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

¼° @ 500'
1° @ 1000'
1° @ 1420'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 27th day of June, 2006.

Notary Public

My Commission Expires:

03/07/07

