

dugan production corp.

August 5, 2003

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

Re: Dugan Production Corp.
Bi-Knobs Com #90S
API #30 045 31761
Unit P, Sec. 32, T30N, R14W
San Juan County, NM

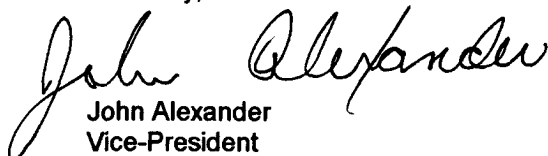


Ladies/Gentlemen:

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

1/2° @ 520'
3/4° @ 1000'

Sincerely,


John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 5th day of August, 2003.


Notary Public

My Commission Expires:

03/07/07