

dugan production corp.

August 13, 2003

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

Re: Dugan Production Corp.
Mary Lou #90S
API #30 045 31695
Unit J Sec. 32, T24N, R10W
San Juan County, NM

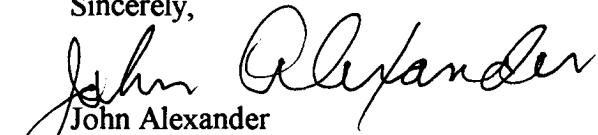


Ladies/Gentlemen:

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

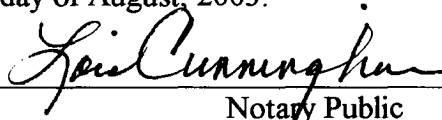
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 13th day of August, 2003.



Notary Public

My Commission Expires: 03/07/07