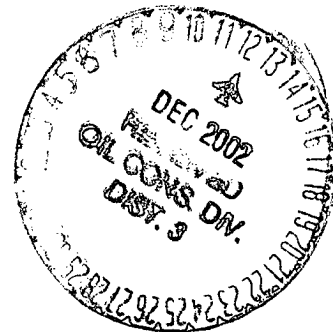




dugan production corp.

December 12, 2002

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



Re: Dugan Production Corp.
Harrison #1
API #30 045 31087
Unit I, Sec. 24, T22N, R9W
San Juan County, NM

Ladies/Gentlemen:

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

1/4° @ 500'
1/2° @ 1,000'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 11th day of December, 2002.

Notary Public

My Commission Expires:

9/8/05