



dugan production corp.

July 7, 1997

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

Re: Dugan Production Corp.
Waterford #90
API #30 045 29453
Unit B, Sec. 20, T26N, R12W
San Juan County, NM

RECEIVED
JUL - 9 1997

OIL CON. DIV.
DIST. 3

Gentlemen:

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

1/2° @ 500'
1/2° @ 1000'
3/4° @ 1220'

Sincerely,

John Alexander
Vice-President

State of New Mexico)
County of San Juan) ss

Subscribed and sworn to before me this 7th day of July, 1997.



OFFICIAL SEAL
LOIS CUNNINGHAM
NOTARY PUBLIC - NEW MEXICO
Notary Bond Filed with Secretary of State
My Commission Expires: 3/7/99

Notary Public