

dugan production corp.

March 21, 2003

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



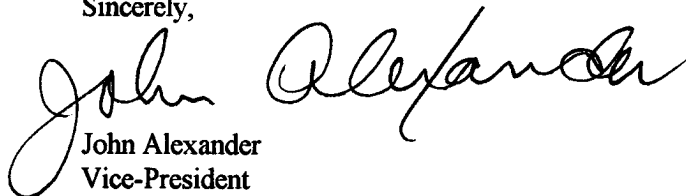
Re: Dugan Production Corp.
Belushi #1
API # 30-045-31257 NM-90468
Unit J, Sec. 5, T22N, R08W (NW/4 SE/4)
San Juan County, New Mexico

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'
 $\frac{3}{4}^{\circ}$ @ 1500'

Sincerely,


John Alexander
Vice-President

JA/tmf

State of New Mexico)

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County of San Juan)

Subscribed and sworn to before me this 21st day of March, 2003.


Notary Public

My Commission Expires: 03/07/07