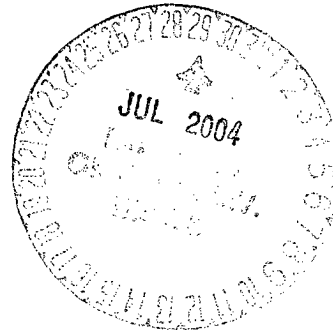


dugan production corp.

July 28, 2004

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



Re: Dugan Production Corp.
Big Field #8
API #30 045 32202
Unit M, Sec. 15, T30N, R14W
San Juan County, NM

Gentlemen:

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

¼° @ 500'
½° @ 1000'
1° @ 1400'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 28th day of July, 2004.

Notary Public

My Commission Expires: 03/07/07