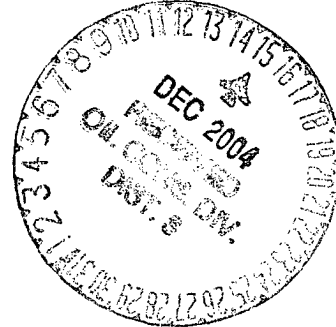


dugan production corp.

December 14, 2004

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



Re: Dugan Production Corp.
Atlantis Com #4S
API #30 045 32564
Unit O, Sec. 3, T30N, R14W
San Juan County, NM

Ladies, Gentlemen:

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

1/2° @ 500'
3/4° @ 1000'
1° @ 1500'

Sincerely,

John Alexander
John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 14th day of December, 2004.

John Cunningham

Notary Public

My Commission Expires: 03/07/07