



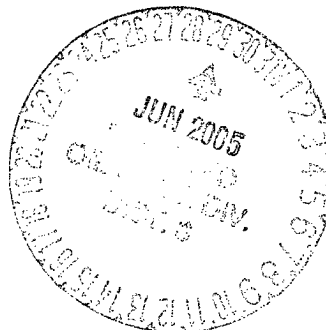
dugan production corp.



June 27, 2005

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

Re: Dugan Production Corp.
Kermit Com #90
API #30 045 32707
Unit F, Sec. 12, T24N, R11W
San Juan County, NM



Ladies/Gentlemen:

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

1½° @ 500'
1½° @ 1000'
1¼° @ 1400'

Sincerely,

John Alexander

John Alexander
Vice-President

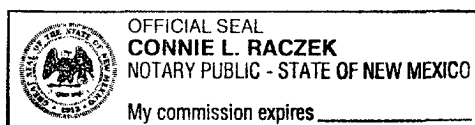
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 27th day of June, 2005.



Connie L. Raczek

Notary Public

My Commission Expires: 3/4/08