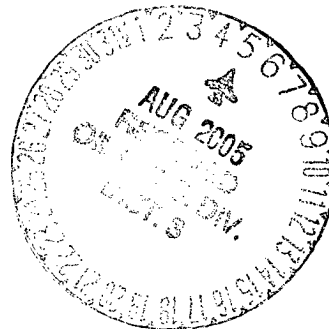


dugan production corp.

August 3, 2005

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



Re: Dugan Production Corp.
Elmo Com #90
API #30 045 32704
Unit F, Sec. 11, T24N, R11W
San Juan County, NM

Ladies/Gentlemen:

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

1/2° @ 500'
1° @ 1000'
1 1/4° @ 1440'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 3rd day of August, 2005.


Notary Public

My Commission Expires: 3/4/08