



dugan production corp.

December 29, 2005

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

Re: Dugan Production Corp.
Bitsili #1
API #30 045 33186
Unit G, Sec. 19, T24N, R9W
San Juan County, NM

Ladies/Gentlemen:

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

3/4° @ 100'	1° @ 1697'	1 1/4° @ 3493'	2 1/2° @ 5100'	4° @ 5953'
3/4° @ 367'	3/4° @ 2141'	1° @ 3982'	2° @ 5339'	3° @ 6103'
1° @ 797'	1° @ 2591'	1 3/4° @ 4432'	2 1/4° @ 5579'	3° @ 6265'
1° @ 1247'	1 1/2° @ 3043'	2 1/4° @ 4882'	4° @ 5827'	3° @ 6451'



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 29th day of December, 2005.



Connie L. Raczek

Notary Public

My Commission Expires: 3/4/08