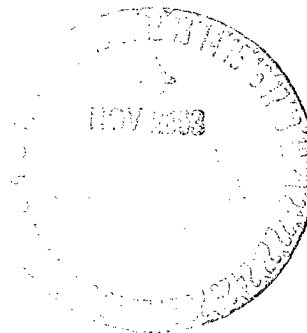


dugan production corp.

November 11, 2003

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

Re: Dugan Production Corp.
Sly Slav Com #3S
API #30 045 31946
Unit F Sec. 13, T30N, R15W
San Juan County, NM



Ladies/Gentlemen:

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

$\frac{1}{4}^{\circ}$ @ 500'

$\frac{3}{4}^{\circ}$ @ 820'

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 11th day of November, 2003.

Lois Cunningham

Notary Public

My Commission Expires: 03/07/07