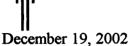


## dugan production corp.



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

Re:

Dugan Production Corp.

State Com #90S API #30 045 31270 Unit E, Sec. 16, T32N, R12W San Juan County, NM

Ladies/Gentlemen:

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

1/4° @ 60'	1-1/2° @ 454'	2-3/4° @ 976'	8° @ 1478'
½° @ 124'	1-1/4° @ 545'	3-1/4° @ 1100'	7-1/2° @ 1541'
1° @ 187	1-1/2° @ 636'	3-1/4° @ 1200'	8° @ 1603'
1° @ 270'	2-1/4° @ 724'	3-3/4° @ 1297'	7-1/2° @ 1695'
1° @ 360'	2-1/4° @ 881'	6° @ 1392'	Ŭ

Sincerely,

Vice-President

JA/tmf

State of New Mexico) ss County of San Juan )

Subscribed and sworn to before me this 11th day of December, 2002.

My Commission Expires: