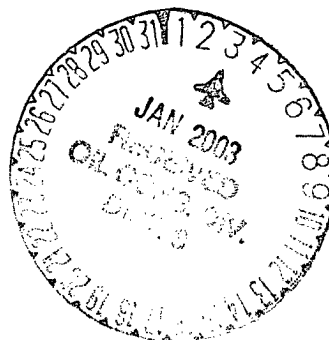


dugan production corp.

January 2, 2003

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

Re: Dugan Production Corp.
Mesa #91
API #30 045 31210
Unit P Sec. 16, T24N, R8W
San Juan County, NM



Ladies/Gentlemen:

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

1/4° @ 500'
1/2° @ 1000'
1° @ 1500'
1° @ 2000'

Sincerely,

John Alexander
Vice-President

JA:sh

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 2nd day of January, 2003.

Notary Public

My Commission Expires: 03/07/03