

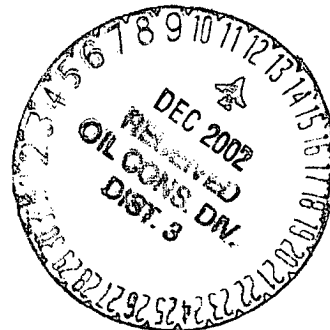


dugan production corp.



December 12, 2002

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



**Re: Dugan Production Corp.**  
State Com #91S  
API #30 045 31263  
Unit J, Sec. 16, T32N, R12W  
San Juan County, NM

Ladies/Gentlemen:

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

3/4° @ 120'	3/4° @ 1101'	1-1/4° @ 1693'	2° @ 2345'
1/2° @ 529'	1° @ 1225'	2° @ 1921'	
1/2° @ 725	1-1/4° @ 1320'	2° @ 2025'	
1-1/2° @ 921'	1° @ 1483'	2° @ 2117	
1° @ 1047	1° @ 1570'	1-3/4° @ 2171'	

Sincerely,

John Alexander  
Vice-President

JA/tmf

State of New Mexico) <sup>ss</sup>  
County of San Juan )

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

Notary Public

My Commission Expires: 9/8/05