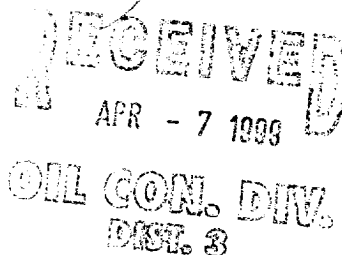


dugan production corp.

April 5, 1999

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



**Re: Dugan Production Corp.**  
*Sapp #92*  
*API #30 045 29290*  
*Unit K, Sec. 28, T24N, R8W*  
*San Juan County, NM*

Gentlemen:

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

1/2° @ 500'  
3/4° @ 1000'  
1° @ 1500'

Sincerely,

John Alexander  
Vice-President

JA/tmf

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

Subscribed and sworn to before me this 5th day of April, 1999.

  
\_\_\_\_\_  
Notary Public

My Commission Expires: 9/8/2001