



dugan production corp.

March 13, 2001

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



Re: *Dugan Production Corp.*
Bi-Knobs #2R
API #30 045 30558
Unit C, Sec. 32, T30N, R14W
San Juan County, NM

Gentlemen:

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

1/2° @ 500'

3/4° @ 940'

Sincerely,

John Alexander
John Alexander
Vice-President

JA/tmf

State of New Mexico)
County of San Juan)^{ss}

Subscribed and sworn to before me this 13th day of March, 2001.

David R. Hetch

Notary Public

My Commission Expires: 9/8/01