

dugan production corp.

April 26, 2001

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

Re: Dugan Production Corp.
Mayre #4R
API #30 045 30591
Unit O, Sec. 27, T30N, R14W
San Juan County, NM

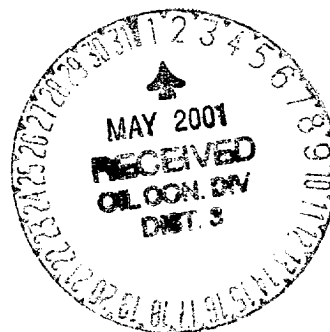
Gentlemen:

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

1/2° @ 500'
1° @ 1240'

Sincerely,

John Alexander
Vice-President



JA/tmf

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

Subscribed and sworn to before me this 26th day of April, 2001.

Notary Public

My Commission Expires: 9/8/01