

dugan production corp.

July 1, 2002

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

Re: Dugan Production Corp.
Humble Kirtland #2
API #30 045 30931
Unit P, Sec. 13, T30N, R14W
San Juan County, NM




Gentlemen:

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

1/4° @ 500'
1/2° @ 1,000'
3/4° @ 1,500'

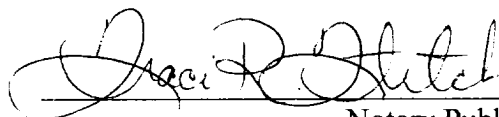
Sincerely,


John Alexander
Vice-President

JA:sh

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 1st day of July, 2002.



Notary Public

My Commission Expires: 9/8/05