

dugan production corp.

January 12, 2007

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

Re: Dugan Production Corp.
Neoprene Com #90
API #30 045 ~~32994~~ 33994
Unit I, Sec. 17, T25N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

½° @ 500'
1° @ 1000'
1° @ 1740'

Sincerely,

John Alexander
Vice-President

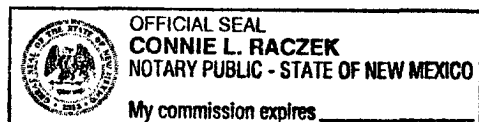
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 12th day of January, 2007.



Notary Public

My Commission Expires: 3/4/08