

dugan production corp.

December 12, 2007

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

Re: Dugan Production Corp.
Satchmo Com #3
API #30 045 34402
Unit M, Sec. 4, T22N, R8W
San Juan County, NM

Ladies/Gentlemen:

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

$\frac{1}{2}^{\circ}$ @ 500'
 $\frac{1}{2}^{\circ}$ @ 1000'
 $\frac{3}{4}^{\circ}$ @ 1260'

Sincerely,

John Alexander
Vice-President

RCVD DEC 14 '07
OIL CONS. DIV.
DIST. 3

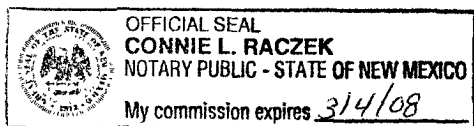
JA/tmf

State of New Mexico)

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County of San Juan)

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



Notary Public

My Commission Expires: 3/4/08