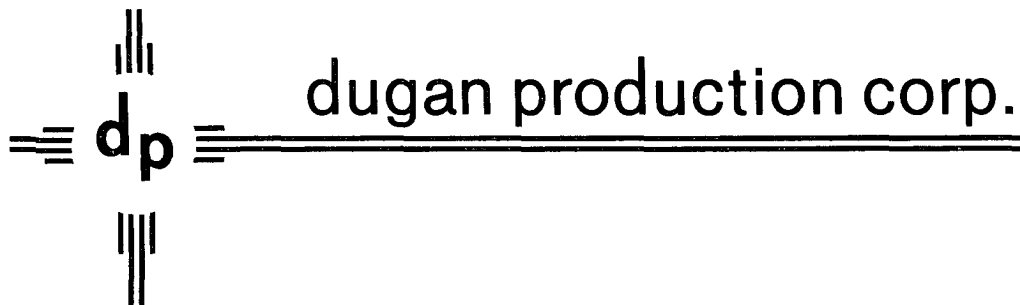




January 23, 2008

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

RCVD JAN 29 '08
OIL CONS. DIV.
DIST. 3

Re: Dugan Production Corp.
Champ #90S
API #30 045 34233
Unit P, Sec. 5, T23N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

½° @ 500'
½° @ 1000'
¾° @ 1100'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 16th day of October, 2007.



Notary Public

My Commission Expires: 3/4/08