



dugan production corp.

RCVD DEC 8 '11

OIL CONS. DIV.

DIST. 3

December 6, 2011

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

Re: Dugan Production Corp.
St. Moritz SWD #2
API #30 045 35281
Unit J, Sec. 26, T24N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

1° @ 305'	2° @ 2704'	1° @ 3457'	1° @ 4682'	1½° @ 5420'	1¼° @ 6255'
1½° @ 821'	2° @ 2829'	¾° @ 3706'	1¼° @ 4807'	1¼° @ 5560'	2° @ 6570'
¼° @ 1071'	¼° @ 2953'	1° @ 3959'	2° @ 4930'	1¾° @ 5685'	1¼° @ 6695'
¼° @ 1323'	1½° @ 3079'	1½° @ 4210'	1½° @ 5055'	1½° @ 5813'	1½° @ 6820'
1½° @ 2329'	1° @ 3204'	2° @ 4430'	1° @ 5181'	1½° @ 5939'	1¼° @ 6943'
2½° @ 2579'	1¼° @ 3329'	1½° @ 4556'	1° @ 5308'	1° @ 6035'	¼° @ 7137'

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

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County of San Juan)

Subscribed and sworn to before me this 6th day of December, 2011.

Notary Public

My Commission Expires:

July 14, 2014