

dugan production corp.

January 22, 2007

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

Re:

Dugan Production Corp. Cochran #2 SWD

API #30 045 33932 Unit H, Sec. 16, T22N, R8W San Juan County, NM

Ladies/Gentlemen:

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

½° @ 207'	2° @ 1829'	2½° @ 3743'
1° @ 340'	4° @ 2103'	2° @ 4249'
1 ¾° @ 623'	3½° @ 2387'	1¾° @ 4748′
2 ¾° @ 907'	3½° @ 2639′	2° @ 5250'
1° @ 1220'	3° @ 2953'	2¼° @ 5250′
1° @ 1536'	3° @ 3209'	2° @ 6553'

Sincerely,

John Alexander Vice-President

JA/tmf

State of New Mexico)

. 58

County of San Juan)

Subscribed and sworn to before me this 22nd day of January, 2007.

My Commission Expires: 63/07/67

S