

dugan production corp.

July 17, 2007

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

Re: Dugan Production Corp.
Latex #1S
API #30 045 34021
Unit F, Sec. 9, T25N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

¼° @ 500'
1° @ 1000'
1° @ 1920'

RCVD JUL 19'07
OIL CONS. DIV.
DIST. 3

Sincerely,

John Alexander
Vice-President

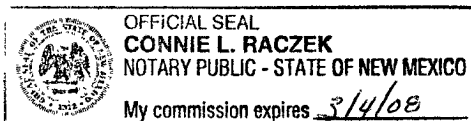
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 17th day of July, 2007.



Notary Public

My Commission Expires: 3/4/08