

dugan production corp.

July 23, 2007

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

**Re: Dugan Production Corp.**  
Mancini #1  
API #30 045 34333  
Unit E, Sec. 15, T22N, R8W  
San Juan County, NM

Ladies/Gentlemen:

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

Bullseye @ 500'  
¾" @ 980'

Sincerely,

  
John Alexander  
Vice-President

RCVD JUL25'07  
OIL CONS. DIV.  
DIST. 3

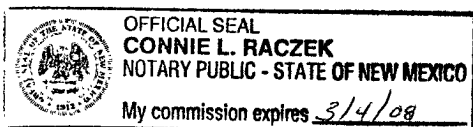
JA/tmf

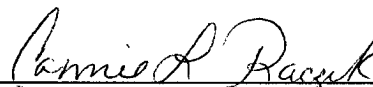
State of New Mexico)

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County of San Juan )

Subscribed and sworn to before me this 23<sup>rd</sup> day of July, 2007.



  
Notary Public

My Commission Expires: 3/4/08