

dugan production corp.

August 10, 2007

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

Re: Dugan Production Corp.
Gold Medal #91
API #30 045 34225
Unit A, Sec. 31, T24N, R10W
San Juan County, NM

Spud 8/13/07

Ladies/Gentlemen:

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

Bullseye @ 500'
1" @ 1200'

RCVD AUG 15 '07
OIL CONS. DIV.
DIST. 3

Sincerely,

John Alexander
John Alexander
Vice-President

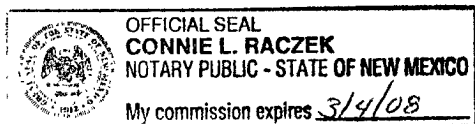
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 10th day of August, 2007.



Connie L. Raczek

Notary Public

My Commission Expires: 3/4/08