



dugan production corp.

October 3, 2007

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

Re: Dugan Production Corp.
Gold Medal #92
API #30 045 34231
Unit P, Sec. 31, T24N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

$\frac{1}{4}^{\circ}$ @ 500'
 $\frac{1}{2}^{\circ}$ @ 1000'
 $1\frac{1}{2}^{\circ}$ @ 1360'

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 3rd day of October, 2007.

Notary Public

My Commission Expires: 03/07/11