

dugan production corp.

December 12, 2007

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

**Re: Dugan Production Corp.**  
**Corrected deviation report**  
Satchmo Com #2  
API #30 045 34425  
Unit J, Sec. 4, T22N, R8W  
San Juan County, NM

Ladies/Gentlemen:

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

$\frac{1}{2}^{\circ}$  @ 500'  
 $\frac{1}{2}^{\circ}$  @ 1000'  
 $\frac{1}{2}^{\circ}$  @ 1240'

Sincerely,

John Alexander  
Vice-President

RCVD DEC 14 '07  
OIL CONS. DIV.  
DIST. 3

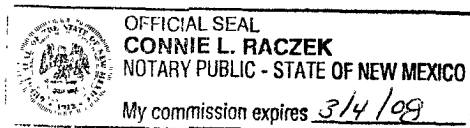
JA/tmf

State of New Mexico)

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County of San Juan )

Subscribed and sworn to before me this 12<sup>th</sup> day of December, 2007.



Notary Public

My Commission Expires: 3/4/08