

dugan production corp.

May 12, 2011

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

Re: Dugan Production Corp.
Basie Com # 1
API #30 043 21112
Unit D, Sec. 21, T22N, R07W
Sandoval 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'

Sincerely,

John Alexander
Vice-President

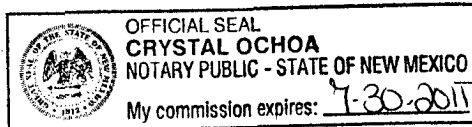
JA/jdc

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 12th day of May, 2011.


Notary Public

My Commission Expires:

July 30, 2011



AV