

dugan production corp.

June 14, 2011

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

Re: Dugan Production Corp.
Moncrief Com # 100
API #30 045 35235
Unit N, Sec. 02, T30N, R13W
San Juan County, NM



Gentlemen:

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

3/4° @ 625'
1-1/4° @ 1,125'
1-3/4° @ 1,625'
2° @ 2,125'
2° @ 2,225'

Sincerely,

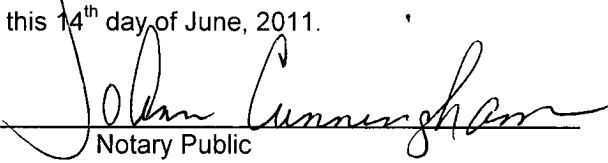


John Alexander
Vice-President

JA:jdc

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 14th day of June, 2011.


Notary Public

My Commission Expires: 18th May 2015