

dugan production corp.

November 20, 2006

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

Re: Dugan Production Corp.
Frazzle #1 SWD
API #30 045 33865
Unit C, Sec. 30, T24N, R10W
San Juan County, NM

Ladies/Gentlemen:

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

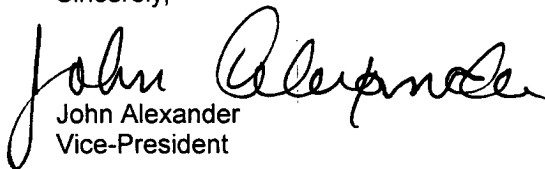
2½° @ 340'	4° @ 2889'	2° @ 4657'
2¾° @ 601'	3° @ 3218'	2° @ 4840'
2° @ 840'	2½° @ 3488'	1½° @ 5349'
2° @ 1134'	2° @ 3774'	2¼° @ 5659'
2° @ 1721'	1° @ 4090'	1° @ 6131'
3° @ 2607'	2° @ 4325'	

RCVD NOV27'06

OIL CONS. DIV.

DIST. 3

Sincerely,


John Alexander
Vice-President

JA/tmf

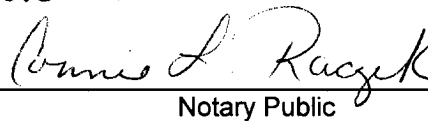
State of New Mexico)

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County of San Juan)

Subscribed and sworn to before me this 20th day of November, 2006.




Notary Public

My Commission Expires: 3/4/08