

dugan production corp.

December 17, 2007

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

RCVD DEC 19 '07
OIL CONS. DIV.

DIST. 3

Re: Dugan Production Corp.
Satchmo Com #1
API #30 045 34429
Unit N, Sec. 3, 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'
 $\frac{3}{4}^{\circ}$ @ 1000'
1° @ 1260'

Sincerely,

John Alexander
Vice-President

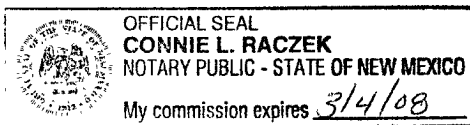
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 17th day of December, 2007.



Notary Public

My Commission Expires: 3/4/08