



dugan production corp.

January 25, 2008

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

RCVD JAN 30 '08

OIL CONS. DIV.
DIST. 3

Re: Dugan Production Corp.
Champ #91
API #30 045 34220
Unit N, Sec. 5, T23N, R10W
San Juan 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'
 $\frac{1}{2}^{\circ}$ @ 1140'

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 25th day of January, 2008.

Notary Public

My Commission Expires: 03/07/11