

dugan production corp.

March 5, 2008

RCVD MAR 7 '08

OIL CONS. DIV.

DIST. 3

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

Re:

Dugan Production Corp.

Chaco Plant #90S API #30 045 33782 Unit P, Sec. 17, T26N, R12W San Juan County, NM

Ladies/Gentlemen:

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

1/4° @ 500' 3/4° @ 1000'

1° @ 1300'

Sincerely,

John Alexander Vice-President

JA/tmf

State of New Mexico)

SS

County of San Juan)

Subscribed and sworn to before me this 5th day of March, 2008.

Notary Public

My Commission Expires

03/07/11