

dugan production corp.

RCVD AUG 4 '08

OIL CONS. DIV.

DIST. 3

July 31, 2008

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

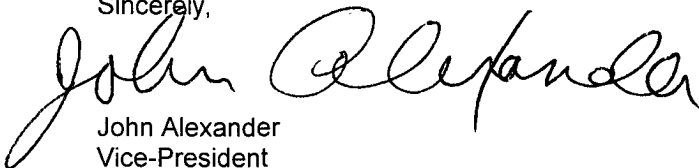
**Re: Dugan Production Corp.**  
Flo Jo #94  
API #30 045 34522  
Unit M, Sec. 1, T23N, R11W  
San Juan County, NM

Ladies/Gentlemen:

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

0° @ 140'  
¼° @ 581'  
¼° @ 880'  
½° @ 1140'

Sincerely,

  
John Alexander  
Vice-President

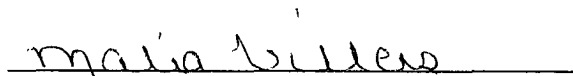
JA/tmf

State of New Mexico)

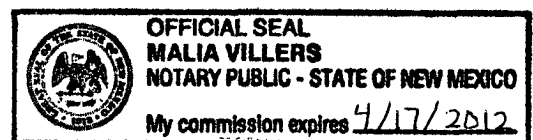
ss

County of San Juan )

Subscribed and sworn to before me this 31<sup>st</sup> day of July, 2008.

  
Notary Public

My Commission Expires: April 17, 2012



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