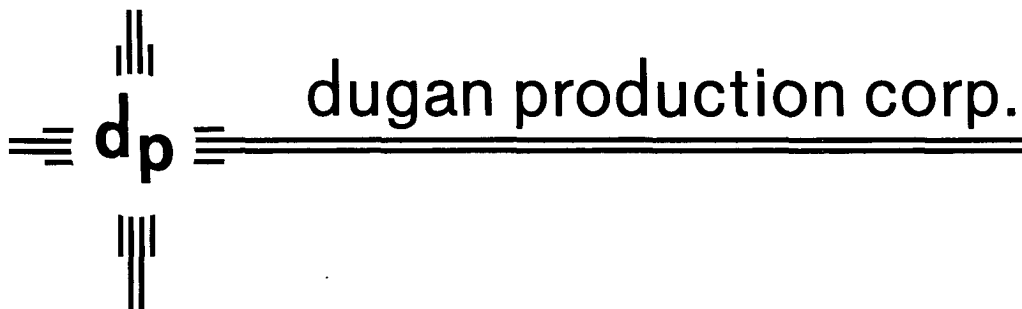




August 7, 2009

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

Re: Dugan Production Corp.
Road Runner #92
API #30 045 34524
Unit B, Sec. 36, T24N, R11W
San Juan County, NM

Ladies/Gentlemen:

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

$\frac{1}{2}^{\circ}$ @ 500'
 $\frac{1}{2}^{\circ}$ @ 1000'
 $\frac{1}{2}^{\circ}$ @ 1140'

RCVD AUG 11 '09
OIL CONS. DIV.
DIST. 3

Sincerely,

John Alexander
Vice-President

JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 7th day of August, 2009.

Notary Public

My Commission Expires: April 17, 2012

