



August 7, 2009

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

Re: Dugan Production Corp.
Martinez Begay Com #2
API #30 045 34923
Unit N, Sec. 34, T24N, R10W
San Juan County, NM

Ladies/Gentlemen:

RCVD AUG 11 '09
OIL CONS. DIV.

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

DIST. 3

$\frac{1}{4}^{\circ}$ @ 500'
 $\frac{1}{2}^{\circ}$ @ 1000'
 $\frac{3}{4}^{\circ}$ @ 1260'

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 7th day of August, 2009.

Notary Public

My Commission Expires: April 17, 2012

