

dugan production corp.

November 10, 2009

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

Re: Dugan Production Corp.
O'Henry #2
API #30 045 34922
Unit L, Sec. 36, T30N, R14W
San Juan County, NM

RCVD NOV 13 '09

OIL CONS. DIV.

Ladies/Gentlemen:

DIST. 3

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

1/4" @ 500'
1" @ 1380'

Sincerely,


John Alexander
Vice-President

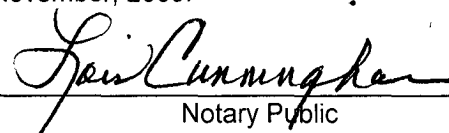
JA/tmf

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 10th day of November, 2009.


Notary Public

My Commission Expires: 03/07/11