

August 02, 2010

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

RCVD AUG 3 '10

OIL CONS. DIV.

DIST. 3

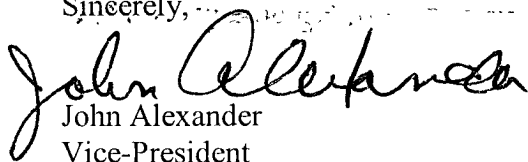
RE: **Dugan Production Corp.**
Martinez Begay Com #1
API #30 045 34983
Unit P, Sec. 34, T24N, R10W
San Juan County, New Mexico

Ladies/Gentlemen:

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

$\frac{1}{2}^{\circ}$ @ 500'
 $1\text{-}\frac{3}{4}^{\circ}$ @ 1330'

Sincerely,


John Alexander
Vice-President

JA/jdc

State of New Mexico)

ss

County of San Juan)

Subscribed and sworn to before me this 2nd day of August, 2010.


Notary Public

My Commission Expires:

03/07/11