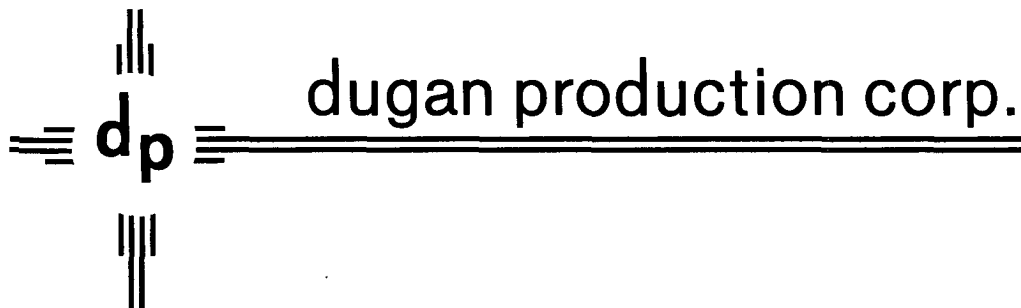




September 28, 2009

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

**Re: Dugan Production Corp.**  
Wood Denn #1  
API #30 045 34925  
Unit L, Sec. 8, T22N, R8W  
San Juan County, NM

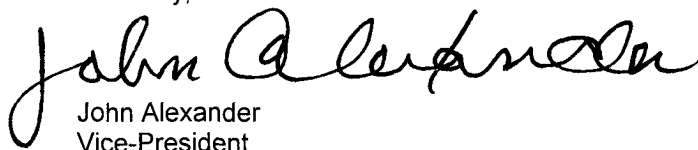
Ladies/Gentlemen:

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

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

RCVD SEP 29 '09  
OIL CONS. DIV.  
DIST. 3

Sincerely,

  
John Alexander  
Vice-President

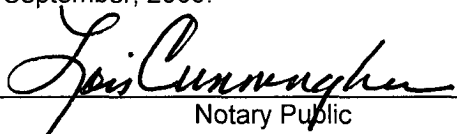
JA/tmf

State of New Mexico)

ss

County of San Juan )

Subscribed and sworn to before me this 28<sup>th</sup> day of September, 2009.

  
Notary Public

My Commission Expires: 03/07/11