

September 8, 1976

N. M. Oil Conservation Commission 1000 Rio Brazos Road Aztec, New Mexico 87410

Re: Producing Royalties, Inc. Payne #2 1790' FNL - 1680' FWL Section 12, T29N, R12W San Juan County, New Mexico

Gentlemen:

This is to certify that deviation tests were run on the captioned well and the following is a true report of those tests:

Sincerely,

DUGAN PRODUCTION CORP.

Jim L. Jacobs

DIST. 3

State of New Mexico) County of San Juan )

Subscribed and sworn to before me this 8 day of September, 1976.

My commission expires November 5, 1978