

dugan production corp.

July 13, 1978

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

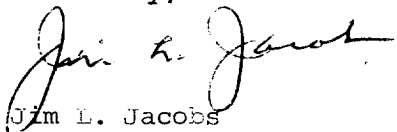
Re: Producing Royalties Inc.
Payne #2A
1800' FNL - 800' FWL
Section 12 T29N R12W
San Juan County, NM

Gentlemen:

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

1/4" @ 1980'

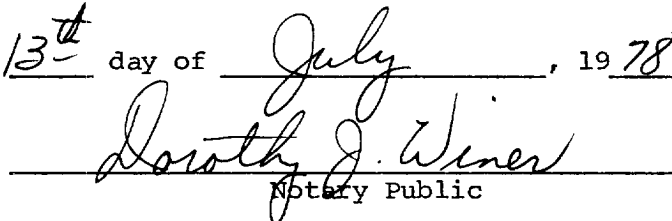
Sincerely,


Jim L. Jacobs

pb

State of New Mexico) ss
County of San Juan)

Subscribed and sworn to before me this 13th day of July, 19 78.


Dorothy J. Winer
Notary Public

My commission expires November 5, 1978