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SUITE 47
ALBUQUERQUE, NEW MEXICO 87109

PHONE (505) 883-9624

CLAUDE C. KENNEDY

INDEPENDENT OIL AND GAS OPERATOR

January 5, 1976

Mr. Alton E. Kendrick
New Mexico Oil Conservation Commission
1000 Rio Brazos Road
Aztec, New Mexico 87410

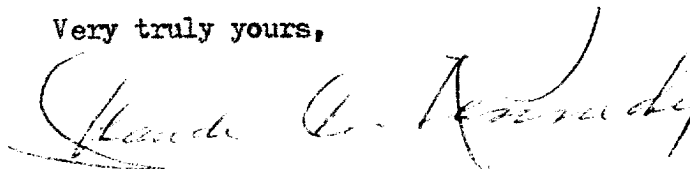
Re: Horace P. McKay, Jr. #2 Payne (Formerly #3 Payne)
810' FWL, 1225' FWL, Sec. 19, T29N, R10W
San Juan County, New Mexico Pictured Cliffs Test

Dear Mr. Kendrick:

This is to certify that deviation tests as follows were taken during drilling of the subject well as reported to me by the drilling contractor:

1/2 degree at 360
3/4 degree at 750
3/4 degree at 1210
1 degree at 1640
1 degree at TD 1830

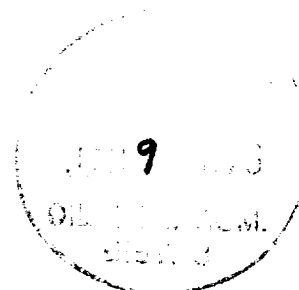
Very truly yours,



Claude C. Kennedy

ACKNOWLEDGEMENT

STATE OF NEW MEXICO }
COUNTY OF BERNALILLO }



The foregoing was sworn to before me this 5th day of January, 1976.

My Commission Expires:

June 5, 1978

Margaret C. McInerney
NOTARY PUBLIC