

*Handwritten: 11/1/82*

**dugan production corp.**

December 29, 1982

Bureau of Land Management  
Attn: District Supervisor  
P. O. Drawer 600  
Farmington, NM 87499

Re: Application to Vent Casinghead Gas  
Dugan Production Corp.  
Buddy No. 1  
Lease No. NM 42933  
SE/4 SE/4 Sec 15, T23N, R6W  
Undesignated Gallup Field  
Rio Arriba County, New Mexico

**RECEIVED**  
JAN 5 1983  
OIL CON. DIV.  
DIST. 3

Gentlemen:

We are hereby making application to vent a maximum of 15 MCFD (18.0 million BTU's) of casinghead gas from the captioned well. The Buddy #1 was completed November 30, 1982 testing a daily rate of 105 BOPD plus 150 BLWPD plus 75 MCFD at 15 psi flowing tubing pressure. The casinghead gas is not dedicated and the nearest pipeline is Gas Company of New Mexico's main transmission line approximately 4500' to the southwest. This line operates at approximately 800 psi and would require the installation of a wellhead compressor. The next closest line is that of El Paso Natural Gas Company's and is located 1.9 miles to the northwest.

We are negotiating with El Paso to extend their pipeline from their gathering facility at the NE/4 of Section 9, T23N, R6W. This line operates at approximately 150 psi. We currently plan to produce Buddy #1 approximately 1 hour per day, 2 days per week, recovering 1 bbl oil each time and requiring the venting of approximately 3.16 MCFD. The Buddy #1 will not flow continuously and requires 1-3 days of shut-in order to build sufficient pressure to lift a head of oil to the surface. We also plan to install beam pumping equipment in the future which would permit the well to be produced more continuously. In continuous production we could expect daily production to average 20 BOPD (116 million BTU's) plus 15 MCFD, (18.0 million BTU's) of gas. intent to minimize the venting of casinghead gas as much as possible.

**APPROVED**  
**FORWARDED**

*Handwritten: 12/29/82*  
*Handwritten: James F. [Signature]*  
DISTRICT ENGINEER

*Handwritten: JH*  
709 BLOOMFIELD RD.

• P.O. BOX 208 •

FARMINGTON, NEW MEXICO 87499 •

~~FARMINGTON, NEW MEXICO 87499~~ **NMDCD**

Bureau of Land Management  
December 29, 1982  
Page 2

In view of the relative remoteness of the subject well and the current market conditions, we request approval to vent a minor amount of gas production (currently 3.12 MCF every 3rd or 4th day and ultimately approximately 15 MCFD) for a one year period, which will allow time to evaluate gas reserves of the subject well. In addition, during this one year period there are plans to drill other wells in this area which will increase the feasibility of obtaining a pipeline into this area and thus connecting the Buddy #1 for sales.

Sincerely,

*John D. Roe*

John D. Roe  
Petroleum Engineer

*Pursuant to 12-4A ZED Venting is authorized  
approved not to exceed one year from date of approval.  
Amount vented not to exceed 10 MCF per month*

RECEIVED  
JAN 5 1983  
OIL CON. DIV.  
DIST. 3

dugan production corp.

December 29, 1982

ILLEGIBLE

Bureau of Land Management  
Attn: District Supervisor  
P. O. Drawer 600  
Farmington, NM 87499

Re: Application to Vent Casinghead Gas  
Dugan Production Corp.  
Buddy No. 1  
Lease No. NM 42933  
SE/4 SE/4 Sec 15, T23N, R6W  
Undesignated Gallup Field  
Rio Arriba County, New Mexico

Gentlemen:

We are hereby making application to vent a maximum of 15 MCFD (18.0 million BTU's) of casinghead gas from the captioned well. The Buddy #1 was completed November 30, 1982 testing a daily rate of 105 BOPD plus 150 BLWPD plus 75 MCFD at 15 psi flowing tubing pressure. The casinghead gas is not dedicated and the nearest pipeline is Gas Company of New Mexico's main transmission line approximately 4500' to the southwest. This line operates at approximately 800 psi and would require the installation of a wellhead compressor. The next closest line is that of El Paso Natural Gas Company's and is located 1.9 miles to the northwest.

We are negotiating with El Paso to extend their pipeline from their gathering facility at the NE/4 of Section 9, T23N, R6W. This line operates at approximately 180 psi. We currently plan to vent Buddy #1 approximately 1 hour per day, 2 days per week, requiring 100 bbl oil each time and requiring the venting of approximately 100 bbl gas. The Buddy #1 will not flow continuously and requires 100 bbl of oil to build sufficient pressure to lift a load of gas. We also plan to install beam pumping equipment in the well which would permit the well to be produced more continuously. If continuous production we could expect daily production to average 100 bbl (18 million BTU's) plus 15 MCFD, (18.0 million BTU's) of casinghead gas. We intend to minimize the venting of casinghead gas as much as possible.

In view of the relative remoteness of the subject well and the current market conditions, we request approval to vent a minor amount of gas production (currently 3.12 MCF every 3rd or 4th day and ultimately approximately 15 MCFD) for a one year period, which will allow time to evaluate gas reserves of the subject well. In addition, during this one year period there are plans to drill other wells in this area which will increase the feasibility of obtaining a pipeline into this area and thus connecting the Buddy #1 for sales.

Sincerely,

*John D. Roe*

John D. Roe  
Petroleum Engineer

mba

*Pursuant to NTH-1A ULD testing is authorized  
approval not to exceed one year from date of  
document issued not to exceed 10 mcf per month*