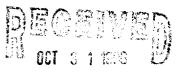


## dugan production corp.

October 30, 1996

Mr. Bill LeMay, Director New Mexico Oil Conservation Division 2040 South Pacheco Santa Fe, NM 87505



Re: Notice of Modification to Surface Facilities NMOCD Commingling Order PC-684 (dated 12-27-84) Dugan Production Corp's Ballymaloe Wells No. 1 & 2

Units M & K, Section 25, T-23N, R-7W Federal Lease No. NM 28747

Sandoval County, NM

Dear Mr. LeMay,

We are writing to advise that we plan to remove the wellsite gas metering equipment presently located at the Ballymaloe No. 2 and use the CDP gas sales meter currently located at the Ballymaloe No. 1 to measure gas production from the Ballymaloe No. 2 well. The Ballymaloe No. 1 well was plugged and abandoned on 8/30/95 (MMS Form 3160-5 attached) and the previously approved surface commingling of production from the No. 1 & 2 wells (Commingling Order PC-684) is no longer necessary. In addition, the allocation metering equipment currently at the No. 2 well is also no longer necessary; however, we do need to continue to use the CDP meter at the No. 1 wellsite to facilitate gas sales from the Ballymaloe No. 2 well averaged 731 MCF/month during the first 8 months of 1996 and relocating the gas sales meter location is not an option.

I have discussed this with David Catanach of your office and it is my understanding that NMOCD approval is not necessary, however, advisement of our modification is. Our proposed removal of the No. 2 allocation meter will not affect our gas measurement for the No. 2 well and should we desire to add additional wells to the CDP meter at some future date, we will restore the use of allocation meters and will secure the necessary approvals from the NMOCD & BLM. We will also continue to monitor the gas line between the Ballymaloe No. 2 well and the CDP meter for leaks.

Should you have questions or need additional information, please let me know.

Sincerely,

John O, Roe

John D. Roe

Manager of Engineering

JDR/cg

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## UNITED STATES DEPARTMENT OF THE INTERIOR RUPEAU OF LAND MANAGEMENT

Altachment	1
No.1	
PFIOFI	

FORM APPROVED
Budget Bureas No. 1004-0135
Expires: March 31, 1993

	BURFAU OF	LAND MANAGEMENT ( 13141)	
	SUNDRY NOTICES	S AND REPORTS ON WELLS	5. Lone Designation and Serial No. NM. 28747 6. If Indian, Allotter or Tribe Name
Do not use this i	form for proposals to c Use "APPLICATION FO	drill or to deepen or reentry to a different rese OR PERMIT—" for such proposals	nvolr.
	SUBMI	IT IN TRIPLICATE	7. If Unit or CA, Agreement Designar
Type of Well On Well Well Well	Dow P&A		S. Well Name and No.
Mame of Operator			Ballymaloe 1
Dugan Pro	oduction Corp.		9. API Well No.
3. Address and Telephose No. P.O. Box 420, Farmington, NM 87499 (505) 325-1821 4. Lecanon of Well (Footage, Sec., T., R., M., or Servey Description)			30 043 20597 10. Field and Pool, or Exploratory Area
			···
890' FSL	& 800' FWL (SW/	(4 SW/4)	W/C Irish Mesa Chac
Unit M, S	ec. 25, T23N, R7	W	Sandoval County, NM
		(s) TO INDICATE NATURE OF NOTICE, R	EPORT, OR OTHER DATA
TYPE OF	SUBMISSION	TYPE OF AC	TION
Notice of	( Interes	Abandonment	Change of Plans
Sobseque	nt Report	Recompletion Plugging Back	New Construction Non-Routine Fracturing
		l louis au s	Water Shut-Off
Π		Casing Repair	
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