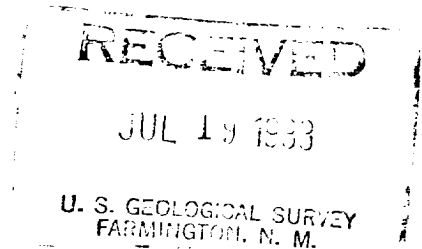


|||
= d p =
|||

dugan production corp.

July 18, 1983



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

Re: Application to Vent Casinghead Gas
Dugan Production Corp.
Kinsale #2
Lease No. NM-28748
NE/4 SE/4 Sec. 26, T23N, R7W, NMPM
Lybrook Gallup Field
Sandoval County, New Mexico

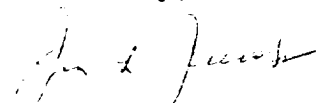
RECEIVED
JUL 27 1983
OIL CON. DIV.
DIST. 3

Gentlemen:

We are hereby making application to vent approximately 12 MCFD of casinghead gas from the captioned well which was completed on June 1, 1983 with an initial potential of 72 BOPD plus 0 BWPD with a GOR of 1222. The initial potential was based upon a swab test during the completion process, and currently the well will not flow continuously. It is anticipated that we will have to intermittently flow the well and will average approximately 10 BOPD plus 12 MCFD.

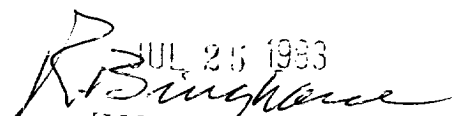
The well is located approximately 650' from a pipeline operated by EPNG. We are currently working with Northwest Pipeline in order to secure a pipeline connection for gas sales with EPNG as the transporter. We met with Northwest Pipeline on July 14, 1983 in Salt Lake City, and are optimistic that we will be able to obtain a connection in the very near future, however, in the interim we request permission to vent a minor amount of gas for one year.

Sincerely,


Jim L. Jacobs

JDR:mba

APPROVED


JUL 25 1983
JAMES F. SIMS

DISTRICT OIL & GAS SUPERVISOR

For Area Manager

Noted