



dugan production corp.

September 2, 1983

Bureau of Land Management
Caller Service 4104
Farmington, NM 87499

Attn: Mat Millenbach

RE: Request for Surface Commingling
Dugan Production Corp.
Bengal B Well #1 (Gallup) and Bengal B #6 (Fruitland)
C- T-26-N, R-12-W, NMPM
Section 2: Units O and P
Federal Lease No. NM 16471
San Juan County, NM

Dear Mr. Millenbach:

Attached is a copy of our application to the New Mexico Oil Conservation Division wherein we request approval to commingle on the surface gas production from the Gallup formation in the Bengal B #1 and the Fruitland formation in the Bengal B #6. Both wells are operated by Dugan Production Corp. Since this application involves federal acreage, approval of this application by your office is required.

As indicated on the application, only marginal rates from each well are involved and approval of the proposed surface commingling will not violate correlative rights and will result in increased recoveries of natural gas from this lease.

Should you have any questions regarding this matter, please feel free to contact me.

Sincerely,

John D. Roe

John D. Roe

JR:fp

Attachment

cc: Jerome P. McHugh

APPROVED

R. Brughman
SPECIAL AGENT
BUREAU OF LAND MANAGEMENT
FARMINGTON, NEW MEXICO
Permy