

dugan production corp.

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OIL CON. DIV.
DIST. 3

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BUREAU OF LAND MANAGEMENT
FARMINGTON, NEW MEXICO

September 2, 1983

Bureau of Land Management
Caller Service 4104
Farmington, NM 87499

Attn: Mat Millenbach

RE: Request for Approval of Off-lease Measurement of Natural Gas Sales
Dugan Production Corp.
Bengal B Well #1 (Gallup) and Bengal B #6 (Fruitland)
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:

Upon reviewing our records, we do not find a prior approval for off-lease measurement of gas sales for the subject lease.

Attached for your information is a copy of a topographic map (Gallegos Canyon Quadrangle) on which I have indicated the existing pipeline and the location of El Paso Natural Gas Company's meter run. El Paso has installed the meter run at a location that is not on the lease for which production is measured. This installation was made at El Paso's election in order to eliminate the need for crossing the Gallegos Canyon Wash. The referenced meter run was originally installed by El Paso in 1976 for the Bengal B #2 and has been idle since disconnection in July of 1978 upon abandonment of the Bengal B. #2. Dugan Production Corp. proposes to use this meter run for marginal rates of production from our Bengal B #6 (Fruitland) and Bengal B #1 (Gallup).

We have made application for permission to commingle production from these wells on the surface and with this letter request approval for off-lease measurement.

Sincerely,

John D. Roe

John D. Roe

JR:fp

Attachment

APPROVED

SEP 07 1983

Mat Millenbach
MAT MILLENBACH

AREA MANAGER