



dugan production corp.

April 29, 2002

Mr. Frank Chavez
New Mexico Oil Conservation Division
1000 Rio Brazos Road
Aztec, NM 87410

Re: Dugan Production Corp.'s
Dot Com No. 90 (API #30-045-29985)
Unit I, Section 02, T-26N, R-11W
Basin Fruitland Coal Pool

Dear Mr. Chavez,

We are writing to request your approval to vent a small amount of natural gas from the subject well (as provided by Rule 10 of the Basin Fruitland Coal Pool Rules) that may be produced during our efforts to establish whether or not a pipeline connection can be justified. We plan to connect our well to El Paso Field Services for gas sales as soon as there are sufficient gas volumes to do so. The Fruitland Coal at 1,694'-1,888' has been completed, and rod pump artificial lift equipment installed. Currently it is necessary to use propane to supplement the fuel requirements for the pumping unit engine, as there is not enough natural gas to supply the fuel, which currently averages 3.0 mcf/d.

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

Sincerely,

John D. Roe
Engineering Manager

JDR:sh