

~~Confidential~~

August 30, 1982

Errol Becher
Minerals Management Service
Drawer 600
Farmington, NM 87401



RE: Lease No. NM 10758
Dugan Production Corp.
Pittam Pond #3 *9*
NE/4 Sec 11 T24N R15W *11-29N-15W*
San Juan County, NM

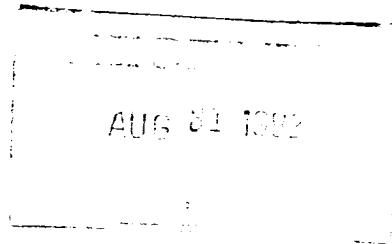
Dear Mr. Becher:

The subject well is producing approximately 67 MCFGPD. In order to conserve gas we are only flowing the well one hour per day by the stop-cock method. We are also pursuing all avenues in order to obtain a gas contract and connection as soon as possible.

In the meantime, we request approval of a no-flare order.

Sincerely,

Jim L. Jacobs
Geologist



Approval is granted (under NTL-4A, section IV B, part 2) to vent gas, while negotiating a sales contract, for 1 hour per day, until January 31, 1983.

