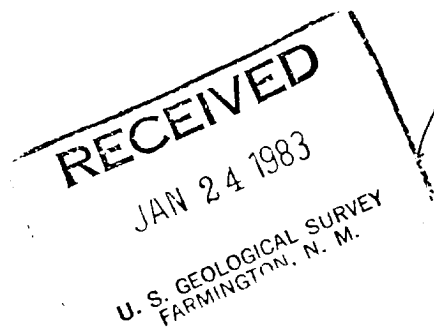


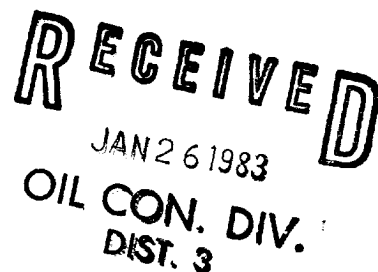
*C* dugan production corp.



January 21, 1983

Bureau of Land Management  
P. O. Drawer 600  
Farmington, NM 87499

Attention: Mr. James Sims



Re: Application for Extension to Vent Casinghead Gas  
Dugan Production Corp.

Pittam Pond #3

NE 1/4 Section 11, T2<sup>9</sup>N, R15W  
San Juan County, NM

Dear Mr. Sims:

The captioned well is authorized to vent casinghead gas until January 31, 1983. Dugan Production Corporation completed the Pittam Pond #3 on July 28, 1982, testing 33 BOPD with a GOR of 6364 SCF per barrel, from perforations 4332' - 4539' in the Gallup formation of the Cha Cha Gallup Pool.

By letter dated August 30, 1982, we requested permission to vent casinghead gas during the time we were securing a gas contract and connection. Your office granted approval on September 2, 1982, under the guidelines of NTL-4A, Section IV B, Part 2, while negotiating a sales contract until January 31, 1983. We are currently producing the well approximately one hour per day in order to minimize gas venting and during November, production averaged 20 BOPD, 5 BOPD, and 58 MCF per day.

We are in the final stages of negotiations with Intrastate Gathering Corp. and anticipate signing a contract during the week of January 24, 1983. However, we have been told by Intrastate Gathering Corp. that a pipeline connection for the Pittam Pond #3 will not be obtained until March 1. Therefore, it is our request that venting of casinghead gas be authorized until July 28, 1983, which would be one year from the date of completion of the subject well.

*N M O C D*

As you are aware, this is within the guidelines established by NTL-4A, Section IV B, Part 2. As we have indicated, we have been told that we will receive a pipeline connection by March 1. However, in view of many uncertainties in obtaining a pipeline connection at this time of year, we request approval to vent until July 28, 1983. As indicated in our original venting request, we would continue to produce the Pittam Pond #3 on a limited basis, in order to minimize the venting of casinghead gas.

Sincerely,

*John D. Roe*

John D. Roe  
Petroleum Engineer

mba

RECEIVED

JAN 24 1983

U. S. GEOLOGICAL SURVEY  
FARMINGTON, N. M.

*Approved (NTL-4A, II B, Part 2) for  
1 hour per day until July 28 1983  
or until pipeline connection is made  
whichever is sooner.*

