



dugan production corp.

NOV - 1 1996

October 30, 1996

Mr. Bill LeMay, Director
New Mexico Oil Conservation Division
2040 South Pacheco
Santa Fe, NM 87505

DJC
11-1-96

**Re: Notice of Modification to Surface Facilities
NMOCD Commingling Order PC-684 (dated 12-27-84)
Dugan Production Corp's Ballymaloe Wells No. 1 & 2
Units M & K, Section 25, T-23N, R-7W
Federal Lease No. NM 28747
Sandoval County, NM**

Dear Mr. LeMay,

We are writing to advise that we plan to remove the wellsite gas metering equipment presently located at the Ballymaloe No. 2 and use the CDP gas sales meter currently located at the Ballymaloe No. 1 to measure gas production from the Ballymaloe No. 2 well. The Ballymaloe No. 1 well was plugged and abandoned on 8/30/95 (MMS Form 3160-5 attached) and the previously approved surface commingling of production from the No. 1 & 2 wells (Commingling Order PC-684) is no longer necessary. In addition, the allocation metering equipment currently at the No. 2 well is also no longer necessary; however, we do need to continue to use the CDP meter at the No. 1 wellsite to facilitate gas sales from the Ballymaloe No. 2 well. Production from the Ballymaloe No. 2 well averaged 731 MCF/month during the first 8 months of 1996 and relocating the gas sales meter location is not an option.

I have discussed this with David Catanach of your office and it is my understanding that NMOCD approval is not necessary, however, advisement of our modification is. Our proposed removal of the No. 2 allocation meter will not affect our gas measurement for the No. 2 well and should we desire to add additional wells to the CDP meter at some future date, we will restore the use of allocation meters and will secure the necessary approvals from the NMOCD & BLM. We will also continue to monitor the gas line between the Ballymaloe No. 2 well and the CDP meter for leaks.

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

Sincerely,

John D. Roe

John D. Roe
Manager of Engineering

JDR/cg

cc: NMOCD-Aztec and BLM-FDO

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Attachment
No. 1
Pg 1 of 1

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.
NM 28747

6. If Indian, Alibates or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.
Ballymaloe 1

9. API Well No.
30 043 20597

10. Field and Pool, or Exploratory Area
W/C Irish Mesa Chacra

11. County or Parish, State
Sandoval County, NM

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Well Gas Well Other P&A

2. Name of Operator
Dugan Production Corp.

3. Address and Telephone No.
P.O. Box 420, Farmington, NM 87499 (505) 325-1821

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
890' FSL & 800' FWL (SW/4 SW/4)
Unit M, Sec. 25, T23N, R7W

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

| TYPE OF SUBMISSION | TYPE OF ACTION |
|---|--|
| <input type="checkbox"/> Notice of Interest <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice | <input checked="" type="checkbox"/> Abandonment <input type="checkbox"/> Reconpletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other _____ |
| | <input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water <small>(Note: Report results of multiple completions on Well Completion or Reconpletion Report and Log form.)</small> |

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Plugged well by pumping 118 cu. ft. Class B cement down 2-7/8" casing to fill to surface. Job complete 8/30/95.

Approved as to plugging of the well bore.
Liability under bond is retained until surface restoration is completed.

SEARCHED
SERIALIZED
INDEXED
FILED
AUG 31 1995
FBI - ALBUQUERQUE

14. I hereby certify that the foregoing is true and correct

Signed John Alexander Title Operations Manager Date 8/31/95

(This space for Federal or State office use)

Approved by _____ Title _____

Conditions of approval, if any:

APPROVED
AUG 31 1995

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.