



# dugan production corp.

March 16, 1983

Bureau of Land Management  
Attn: District Supervisor  
P. O. Drawer 600  
Farmington, New Mexico 87499

Re: Application to Vent Casinghead Gas  
Dugan Production Corp.  
Adobe A Well No. 1  
Lease No. SF 078868  
SE/4 NW/4, Sec. 29, T24N, R8W, NMPM  
Cuervo Gallup Field  
San Juan County, New Mexico

RECEIVED

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

Gentlemen:

We are hereby making application to vent approximately 2.5 MCFD of casinghead gas from the captioned well. The Adobe A #1 was completed on November 3, 1975 by Adobe Oil Company (as the Dugan Federal A #1) with an initial potential of 377 BOPD plus 16 BWPD, plus gas volumes reportedly TSTM from perforations in the Gallup 5093'-5336'. The operation of the well was assumed by Dugan Production Corp. on April 12, 1982. During 9 months of 1982, production averaged 6.7 BOPD plus 7.2 MCFD (GOR = 1080).

Attached for your review is the most recent Gas-Oil Ratio Test (N. M. Form No. C-116) taken for the Adobe A #1 which was dated September 10, 1982. During this test a daily rate of 11.75 BO, 0.5 BW, plus 12.7 MCF of gas (GOR = 1080) was tested. Production during January, 1982 averaged 7 BOPD, plus 7.5 MCFD, of which approximately 5 MCFD was used on the lease in order to fuel an 18 horsepower motor and heater treater necessary to operate the well.

The subject well is located approximately 2400' from a line operated by El Paso Natural Gas. To date we have not been able to make arrangements with El Paso for a pipeline connection. We are currently pursuing all possibilities in order to obtain a pipeline connection. However, in view of current market conditions and the relatively low volumes of the well, are not optimistic that a pipeline connection can be obtained. We therefore request approval to vent a minor amount of gas, currently approximately 2.5 MCFD, for a one year period which will allow additional time to possibly obtain a pipeline connection.

Sincerely,

John D. Roe

JDR:mba

Attachment

*James F. Sims*  
JAMES F. SIMS  
DISTRICT ENGINEER

*Approved not to exceed 1 year and  
not to exceed 10 MCF/month.*

*Approved*