

dugan production corp.

February 24, 1983

FEB 25 1983

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

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

Re: Application to Vent Casinghead Gas
Dugan Production Corp.
Bedford #1
Lease No. 078228-B
Unit E of Sec. 15, T-25N, R-11-W
Bisti Lower Gallup Field
San Juan County, New Mexico

Gentlemen:

Attached is a copy of a letter from the New Mexico Oil Conservation Commission dated November 17, 1966, wherein they granted authorization to vent gas from the captioned well with no specific time limit. Also attached for your review is a copy of our most recent Gas-Oil Ratio Test (N. M. Form C-116) for the Bedford #1. As you will note, on September 23, 1982, 5.88 BBLS of oil, 0.25 BBLS of water, and 8.95 MCF of gas (GOR = 1522) was tested over a 24 hour period. During the month of January 1983, the Bedford #1 produced an average of 3.87 BOPD, 0.26 BWP, 5.9 MCFD of which 1.9 MCF was vented and 4.0 MCF was used on the lease.

We are pursuing all possibilities of obtaining a pipeline connection for sale of this gas, however, are not optimistic that a connection will be obtained in the very near future.

We request that the Bureau of Land Management recognize the current state authorization for venting a minor amount of casinghead gas (currently 1.9 MCF per day) which is not used on the lease for Dugan Production's Bedford #1.

Sincerely,

John D. Roe

John D. Roe

JDR:mba

Attachments

