

BEFORE THE OIL CONSERVATION COMMISSION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF
LA PLATA GATHERING SYSTEM, INC.,
FOR THE ESTABLISHMENT OF A 345.59
ACRE NON-STANDARD GAS UNIT IN THE
BLANCO-MESAVERDE GAS POOL,
RIO ARriba COUNTY, NEW MEXICO, AND
FOR AN UNORTHODOX GAS WELL LOCATION

CASE NUMBER

2004

TO THE HONORABLE OIL CONSERVATION COMMISSION OF THE
STATE OF NEW MEXICO:

Comes now LA PLATA GATHERING SYSTEM, INC., as Unit Operator of the San Juan 32-5 Unit Area, and respectfully requests an exception to Rule 104 for a non-standard gas proration unit in the Blanco-Mesaverde Gas Pool, Rio Arriba County, New Mexico, consisting of all of Sections 30 and 31, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico, and for an unorthodox location for a well to be drilled to the Mesaverde Formation at a location nine hundred ninety feet (990') from the North line, seven hundred thirteen feet (713') from the East line, and seven hundred thirteen feet (713') from the West line of Section 31, Township 32 North, Range 5 West, and, for cause, would show as follows:

I

The subject non-standard gas proration unit is necessitated by a variation in the legal subdivision of the United States Public Land Surveys for both Sections 30 and 31 in Township 32 North, Range 5 West, Section 30 comprising Lots 1, 2, 3, and 4 thereof, containing a total of 174.41 acres, and Section 31 comprising Lots 1, 2, 3, and 4 thereof, containing a total of 171.18 acres, or an aggregate of 345.59 acres.

II

In order for the owners of the oil and gas leases covering Sections 30 and 31, Township 32 North, Range 5 West, to recover and secure their equitable share of the natural gas which may underlie said sections, it is necessary that an exception be granted to the applicable provisions of Rule 104 of the rules and regulations of the New Mexico Oil Conservation Commission.

III

Applicant would further show that, due to the size of said Section 31, it is physically impossible to locate a well in such section seven hundred ninety feet (790') from the outer boundaries thereof.

IV

Attached hereto as Exhibit "A" is a Plat of the subject sections, which likewise illustrates the offsetting leases and development thereon.

V

Applicant would respectfully show that the approval of the subject application will neither cause waste nor impair correlative rights.

Premises considered, the undersigned, as Operator of the San Juan 32-5 Unit Area, respectfully requests an exception to the applicable provisions of Rule 104 of the Commission's regulations in order to provide for a non-standard gas proration unit in the Blanco-Mesaverde Gas Pool and for an unorthodox gas well location as aforesaid.

Respectfully submitted,

LA PLATA GATHERING SYSTEM, INC.

By


Vice President