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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 355.25  
ACRE NON-STANDARD GAS UNIT IN THE  
BLANCO-MESAVERDE GAS POOL AND THE  
BASIN DAKOTA GAS POOL,  
RIO ARriba COUNTY, NEW MEXICO,  
AND FOR AN ORDER AUTHORIZING A  
GAS-GAS DUAL COMPLETION IN THE  
BLANCO-MESAVERDE POOL AND THE  
BASIN DAKOTA POOL AND FOR AN  
UNORTHODOX GAS WELL LOCATION

CASE NUMBER 2542

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 and the Basin Dakota Gas Pool, Rio Arriba County, New Mexico, consisting of All of Sections 18 and 19, Township 32 North, Range 5 West, N.M.P.M., Rio Arriba County, New Mexico, and for an order authorizing a gas-gas dual completion in the Blanco Mesaverde Pool and in the Basin Dakota Pool, and for an unorthodox location for a well to be drilled through the Mesaverde Formation and to the Dakota Formation at a location one thousand nine hundred eighty feet (1,980') from the South line, seven hundred thirty-four feet (734') from the East line, and seven hundred thirty-four feet (734') from the West line of Section 19, 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 18 and 19 in Township 32 North, Range 5 West, Section 18 comprising Lots 1, 2, 3, and 4 thereof, containing a total of 177.17 acres, and Section 19 comprising Lots 1, 2, 3, and 4 thereof, containing a total of 178.08 acres, or an aggregate of 355.25 acres.

## II

In order for the owners of the oil and gas leases covering said Sections 18 and 19, Township 32 North, Range 5 West, to recover their fair and equitable proportion 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 further proposes that the well to be drilled at the aforesaid location on the above described non-standard gas proration unit will be drilled to the base of the Dakota Formation, and, in the event commercial production of natural gas is encountered in both the Dakota and Mesaverde Formations, that same will be completed in such a manner as to permit the production of gas from the Blanco-Mesaverde Pool and the Basin Dakota Pool through parallel strings of one and one-half inch (1-1/2") and two and one-sixteenths inch (2-1/16") tubing. Attached hereto as Exhibit "B" is a schematic drawing of the proposed manner of dually completing said well in such formations, which procedure is in accordance with sound conservation practices and will properly protect each such zone.

## IV

Applicant would further show that, due to the shape of said Section 19, it is physically impossible to

locate a well in such section seven hundred ninety feet (790') from the outer boundaries thereof.

V

Attached hereto as Exhibit "A" is a Plat of the subject spacing unit which likewise illustrates the offsetting leases thereto.

VI


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 10<sup>4</sup> of the Commission's regulations in order to provide for a non-standard gas proration unit in the Blanco-Mesaverde Gas Pool and the Basin Dakota Gas Pool and for a gas-gas dual completion in the Blanco-Mesaverde Pool and the Basin Dakota Pool and for an unorthodox gas well location as aforesaid.

Respectfully submitted,

LA PLATA GATHERING SYSTEM, INC.

By

  
William G. Webb  
Vice President