

BEFORE THE OIL AND GAS CONSERVATION COMMISSION

OF THE STATE OF UTAH

.....
:
IN THE MATTER OF THE AMENDED APPLICATION OF
THE AMERICAN METAL COMPANY, LIMITED, FOR AN :
ORDER ESTABLISHING 480 ACRE DRILLING AND :
SPACING UNITS FOR THE DEVELOPMENT AND PRODUC- :
TION OF GAS FROM THE SOUTH BAR-X AREA, GRAND :
COUNTY, UTAH :

CAUSE NO. 10
REPORT AND ORDER

Appearances:

For:

- Fred A. Deering, Jr. The American Metal Company, Limited;
The Climax Molybdenum Company;
Irving Pollack, Trustee, Applicants
Leonard J. Lewis Harry Royster, and Entrada Oil and
Gas Company, Protestants
Paul Q. Callister C. S. V. Oil and Exploration Company
Ted Moss Bar-X Corporation
Lewis H. Larsen Himself
G. S. Campbell Himself

By the Commission:

On August 5, 1957, The American Metal Company, Limited, filed an
application for an order establishing 640 acre drilling and spacing units
for the development and production of gas from the South Bar-X Area,
Grand County, Utah. The matter was set for hearing before the Oil and Gas
Conservation Commission of Utah, to be heard on Wednesday, September 11,
1957, in the Governor's Board Room, State Capitol Building, Salt Lake City,
Utah. On September 6, 1957, an amended application for an order estab-
lishing 480 acre drilling units in the same area was filed by The American
Metal Company, Limited. On September 10, 1957, a motion for postponement
of the hearing was filed by Harry Royster and Entrada Oil and Gas Company,
Protestants. Said motion was granted, and the matter was set for hearing
on Tuesday, October 1, 1957, at 10:00 a.m. in the Governor's Board Room.

All interested parties were given due and legal notice of said
hearing, and proof of publication of such notice in a daily newspaper of
general circulation in the City of Salt Lake and County of Salt Lake, Utah,

and in all newspapers of general circulation in Grand County, Utah, is on file with the Commission. Hearing upon the matter was had and concluded on October 1, 1957, and the matter was taken under consideration by the Commission.

On October 18, 1957, a stipulation and motion was made on behalf of the Petitioners and Protestants to extend the time for the filing of briefs to and including November 15, 1957. The motion was granted and the hearing was continued until November 15, 1957, for the aforementioned purpose.

FINDINGS OF FACT

1. That the Commission has jurisdiction over the subject matter embraced in this cause and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.

2. That the Applicant is owner of certain interests in subsisting Federal oil and gas leases covering lands within the following described area of Grand County, Utah:

Township 17 South, Range 25 East, S.L.M.

Section 24: $S\frac{1}{2}NW\frac{1}{4}$, $S\frac{1}{2}$
Section 25: $S\frac{1}{2}NE\frac{1}{4}$, $N\frac{1}{2}N\frac{1}{2}$

Township 17 South, Range 26 East, S.L.M.

Section 19: $S\frac{1}{2}S\frac{1}{2}$
Section 30: $N\frac{1}{2}S\frac{1}{2}$, $N\frac{1}{2}$.

3. That the above described lands lie south of and adjacent to Drilling Units Nos. 1 and 2, Zone 4; and Drilling Unit No. 1, Zone 5, of the Bar-X Anticline Area established by order of this Commission on December 5, 1956, in its Cause No. 4.

4. That gas is being, or is capable of being, produced from the ^{Unit} Bar-X Anticline/Area, from the drilling units established in the Bar-X Anticline Area by order of the Commission in Cause No. 4, all of which production or potential production is from the Dakota-Upper Morrison, Salt Wash, and Entrada Formations.

5. That the following described wells have heretofore been drilled to one or more of the formations mentioned in Paragraph 4 hereof underlying the above described lands:

1. American Metal Government No. 2, located on the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24, Township 17 South, Range 25 East, S.L.M., was completed January 9, 1957, at a total depth of 2820 feet. Initial production was 25 barrels of oil per day, which is now shut in. The productive zone is 2712 feet to 2743 feet, with producing intervals at 2712 feet to 2722 feet, and 2731 feet to 2743 feet.

2. Entrada Federal No. 1, located on the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 19, Township 17 South, Range 26 East, S.L.M., was completed February 12, 1957, at a total depth of 2821 feet. Initial production was 5,800,000 cubic feet of gas per day. The productive zone is 2460 feet to 2509 feet, with producing intervals at 2460 feet to 2470 feet, and 2499 feet to 2509 feet.

3. Entrada Federal No. 5, located in the C SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, Township 17 South, Range 26 East, S.L.M., total depth 2566 feet - Gas was encountered in the Salt Wash (Drilled as a tight hole; no other completion data).

4. Rock Island Refining-Gibson Government No. 1 - A, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, Township 17 South, Range 26 East, S.L.M., total depth 2121 feet; Log Tops: Morrison 1663 feet; Salt Wash 2020 feet; Dry, plugged and abandoned on March 19, 1957.

6. That geological data obtained in the course of drilling American Metal Well No. Government 2, and Rock Island Refining Company Well No. Government 1 - A, demonstrate that the Bar-X Field or Anticline Area does not extend as far southwest or south as the drilling units requested.

7. That having heretofore found in Cause No. 4 that the Bar-X Field or Anticline Area extends as far south as Section 21: Lot 3; Section 20: N $\frac{1}{2}$ S $\frac{1}{2}$; and Section 19: N $\frac{1}{2}$ S $\frac{1}{2}$, of Township 17 South, Range 26 East, and, Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, of Township 17 South, Range 25 East, S.L.M., and in the face of affirmative evidence that Well No. Entrada Federal 1, is a commercial gas producer located only 660 feet south of the established boundary of the field, and that Well No. Entrada Federal 5, which was drilled approximately the same distance from said boundary and

on approximately the same contour line, has had shows of gas, the Commission must find that the field extends some distance south of the heretofore established boundary line, and at least some distance south of the Entrada Wells, and also that it extends to the west along the general contour lines to embrace the acreage included in Drilling Unit No. 1, Zone 6, as hereinafter described.

8. That geological data obtained in the course of the drilling of said wells and other available geological data indicate the presence of several zones, whether of one or more benches, each containing a single pool underlying the Bar-X Anticline Area, and that each pool constitutes an underground reservoir containing a common accumulation of gas underlying the following described lands in Grand County, Utah; to-wit:

Township 17 South, Range 25 East, S.L.M.

Section 1: Lots 1,2,3 and 4,
S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Section 2: All
Section 3: All
Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
Section 9: E $\frac{1}{2}$
Section 10: All
Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 14: All
Section 15: All
Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$
Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, SE $\frac{1}{4}$
Section 25: NE $\frac{1}{4}$

Township 17 South, Range 26 East, S.L.M.

Section 4: Lots 1, 2, 3 and 4
Section 5: All
Section 6: Lots 1,2,3 and 4,
S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Section 8: N $\frac{1}{2}$
Section 9: Lots 1 and 2
Section 17: S $\frac{1}{2}$ S $\frac{1}{2}$
Section 18: S $\frac{1}{2}$ S $\frac{1}{2}$
Section 19: All
Section 20: All
Section 21: Lots 1,2,3 and 4
Section 28: Lot 1
Section 29: N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$
Section 30: N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$.

9. That the Entrada wells are capable of drawing gas from beyond the leasehold interest of the operator.

10. That to require the drilling of offset wells to the north, south, and west, in order to protect correlative rights, would constitute the drilling of unnecessary wells.

11. The Commission, therefore, finds and concludes, primarily because of the dry holes to the south and west, that the Entrada wells are near the edge of the Bar-X Field and it would be impractical as well as improper to establish drilling units of the size as heretofore established for said field and for the area covered by the application; that the evidence is not sufficient to establish that the field extends to the south beyond the limits established hereby, and because two wells have already been drilled, at least two units should be established; and that in order to protect correlative rights and prevent the drilling of unnecessary wells, drilling units of approximately 320 acres should be established for the Entrada wells and the acreage to the west of Well No. Entrada Federal 1, which is on the same contour, and the units adjoining on the north should be reduced in size as determined hereby.

D. 13

CONCLUSION

The Commission, therefore, concludes that the application should be granted subject to the modifications herein set out.

ORDER

IT IS HEREBY ORDERED that the following rules and regulations shall apply to wells heretofore and hereafter drilled, completed, or recompleted in the Bar-X Anticline Area, as herein defined, in addition to other applicable rules, regulations, and orders of the Commission, if any, heretofore adopted and not in conflict herewith.

Field Rule 3- 4, adopted by the Commission, December 5, 1956, in Cause No. 4, is amended to read as follows:

Field Rule 3 - 4 - 10. The Bar-X Anticline Area, as herein defined, is hereby divided into 5 6 zones, which contain the acreage described as follows:

Zones 1, 2 and 3 shall embrace the same lands as are set forth in the Order of December 5, 1956, in Cause No. 4.

Zone 4 - shall be amended to read as follows:

Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$, Twp. 17 S, R. 25 E, SLEB
 Section 24: N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEB
 Section 18: S $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEB
 Section 19: NW $\frac{1}{4}$, [N $\frac{1}{2}$ SW $\frac{1}{4}$] N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEB

Zone 5 - shall be amended to read as follows:

- Section 17: $S\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLBM
 Section 18: $S\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: $NE\frac{1}{4}$, $\left[N\frac{1}{2}SE\frac{1}{4} \right]$ $N\frac{1}{2}N\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLBM
 Section 20: $N\frac{1}{2}$, $\left[N\frac{1}{2}S\frac{1}{2} \right]$ $N\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S,
 R. 26 E, SLEM
 Section 21: Lot 1, 2, $\left[3 \right]$ $N\frac{1}{2}$ Lot 3, Twp. 17 S,
 R. 26 E, SLEM

Zone 6 - shall be added as follows:

- Section 24: $SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLBM
 Section 25: $NE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 19: $S\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
 Section 20: $S\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
 Section 21: $S\frac{1}{2}$ Lot 3; and Lot 4, Twp. 17 S, R. 26 E, SLEM
 Section 28: $N\frac{1}{2}$ Lot 1, Twp. 17 S, R. 26 E, SLEM
 Section 29: $N\frac{1}{2}N\frac{1}{2}N\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
 Section 30: $N\frac{1}{2}N\frac{1}{2}N\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM

Field Rule 4-4, adopted by the Commission, December 5, 1956, In Cause No. 4, is amended to read as follows:

Field Rule 4-4-10. Drilling Units shall be and the same are hereby established for each zone, as follows: to-wit:

Drilling Units in Zones 1, 2 and 3 shall embrace the same lands as are set forth in the Order of December 5, 1956, in Cause No. 4.

Drilling Units in ZONE 4 shall be amended as follows:

Drilling Unit No. 1 shall consist of the following described acreage:

- Section 13: $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 24: $N\frac{1}{2}NW\frac{1}{4}$, $W\frac{1}{2}NE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

- Section 13: $E\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 24: $E\frac{1}{2}NE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 18: $S\frac{1}{2}SW\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: $NW\frac{1}{4}$, $\left[N\frac{1}{2}SW\frac{1}{4} \right]$ $N\frac{1}{2}N\frac{1}{2}SW\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM.

Drilling Units in ZONE 5 shall be amended as follows:

Drilling Unit No. 1 shall consist of the following described acreage:

- Section 17: $SW\frac{1}{4}SW\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 18: $S\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: $NE\frac{1}{4}$, $\left[N\frac{1}{2}SE\frac{1}{4} \right]$ $N\frac{1}{2}N\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM
 Section 20: $W\frac{1}{2}NW\frac{1}{4}$, $\left[NW\frac{1}{4}SW\frac{1}{4} \right]$ $N\frac{1}{2}NW\frac{1}{4}SW\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

- Section 16: Lot 4, Twp. 17 S, R. 26 E, SLEM
 Section 17: $SE\frac{1}{4}SW\frac{1}{4}$, $S\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 20: $E\frac{1}{2}NW\frac{1}{4}$, $NE\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$,
 $N\frac{1}{2}NE\frac{1}{4}SW\frac{1}{4}$, $N\frac{1}{2}N\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 21: Lots 1, 2 and 3, Twp. 17 S, R. 26 E, SLEM

Drilling Units in ZONE 6 shall be added as follows:

ZONE 6

Drilling Unit No. 1 shall consist of the following described acreage:

- Section 24: $SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
Section 25: $NE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

- Section 19: $S\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
Section 30: $N\frac{1}{2}N\frac{1}{2}N\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM

Drilling Unit No. 3 shall consist of the following described acreage:

- Section 20: $S\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
Section 21: $S\frac{1}{2}$ Lot 3; and Lot 4, Twp. 17 S, R. 26 E, SLEM
Section 28: $N\frac{1}{2}$ Lot 1, Twp. 17 S, R. 26 E, SLEM
Section 29: $N\frac{1}{2}N\frac{1}{2}N\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM

Field Rule 5-4, adopted by the Commission, December 5, 1956, in Cause No. 4, is redesignated as Field Rule 5-4-10, and adopted as part of this Order which rule is as follows:

Field Rule 5-4-10. On each drilling unit, as heretofore described, one well may be completed or recompleted into two or more of the producing zones or horizons as a multiple completion, or as an alternative, one well may be completed or recompleted into any one of the producing zones or horizons as a single completion, provided, no more than one well shall produce from the same horizon in each drilling unit.

IT IS FURTHER ORDERED that Well No. Entrada Federal 1 is designated as the drilling well for Drilling Unit No. 2, of Zone 6, for the zones or horizons from which it is producing, and Well No. Entrada Federal 5, is designated as the drilling unit well for Drilling Unit No. 3, of Zone 6, for the zones or horizons from which it is capable of producing.

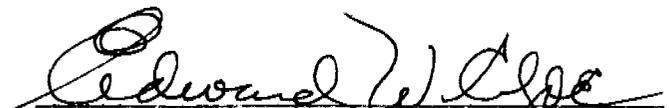
IT IS FURTHER ORDERED that the drilling unit well for Drilling Unit No. 1, of Zone 6, shall be drilled not less than 1200 feet from the unit boundary line.

IT IS FURTHER ORDERED that the rules and regulations contained herein shall become effective forthwith, and henceforth the commencement of the drilling of any well or wells in the Bar-X Anticline Area, as defined herein and in the Order of December 5, 1956, entered in Cause No. 4, for the purpose of producing gas therefrom at a location other than authorized by this Order, is hereby prohibited.

IT IS FURTHER ORDERED that the Commission expressly reserves its right, after notice and hearing, to alter, amend, or repeal any and/or all of the above rules and regulations.

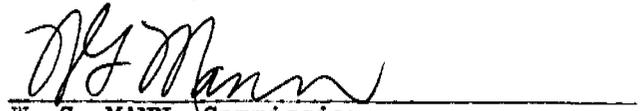
ORDERED this 13th day of December, 1957.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH


EDWARD W. CLYDE, Commissioner Presiding


C. R. HENDERSON, Chairman


C. S. THOMSON, Commissioner

M. V. HATCH, Commissioner

W. G. MANN, Commissioner

12-1357

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH

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IN THE MATTER OF THE AMENDED APPLICATION OF
THE AMERICAN METAL COMPANY, LIMITED, FOR AN
ORDER ESTABLISHING 480 ACRE DRILLING AND
SPACING UNITS FOR THE DEVELOPMENT AND PRODUCTION OF GAS FROM THE SOUTH BAR - X AREA, GRAND COUNTY, UTAH

CAUSE NO. 10
REPORT AND ORDER

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Appearances:

For:

Fred A. Deering, Jr.	The American Metal Company, Limited; The Climax Molybdenum Company; Irving Pollack, Trustee, Applicants
Leonard J. Lewis	Harry Royster, and Entrada Oil and Gas Company, Protestants
Paul Q. Callister	G. S. V. Oil and Exploration Company
Ted Moss	Bar-X Corporation
Lewis H. Larsen	Himself
G. S. Campbell	Himself

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By the Commission:

On August 5, 1957, The American Metal Company, Limited, filed an application for an order establishing 640 acre drilling and spacing units for the development and production of gas from the South Bar-X Area, Grand County, Utah. The matter was set for hearing before the Oil and Gas Conservation Commission of Utah, to be heard on Wednesday, September 11, 1957, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah. On September 6, 1957, an amended application for an order establishing 480 acre drilling units in the same area was filed by The American Metal Company, Limited. On September 10, 1957, a motion for postponement of the hearing was filed by Harry Royster and Entrada Oil and Gas Company, Protestants. Said motion was granted, and the matter was set for hearing on Tuesday, October 1, 1957, at 10:00 a.m. in the Governor's Board Room.

All interested parties were given due and legal notice of said hearing, and proof of publication of such notice in a daily newspaper of general circulation in the City of Salt Lake and County of Salt Lake, Utah,

and in all newspapers of general circulation in Grand County, Utah, is on file with the Commission. Hearing upon the matter was had and concluded on October 1, 1957, and the matter was taken under consideration by the Commission.

On October 18, 1957, a stipulation and motion was made on behalf of the Petitioners and Protestants to extend the time for the filing of briefs to and including November 15, 1957. The motion was granted and the hearing was continued until November 15, 1957, for the aforementioned purpose.

FINDINGS OF FACT

1. That the Commission has jurisdiction over the subject matter embraced in this cause and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
2. That the Applicant is owner of certain interests in subsisting Federal oil and gas leases covering lands within the following described area of Grand County, Utah:

Township 17 South, Range 25 East, S.L.M.

Section 24: S $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$
Section 25: S $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$

Township 17 South, Range 26 East, S.L.M.

Section 19: S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 30: W $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$

3. That the above described lands lie south of and adjacent to Drilling Units Nos. 1 and 2, Zone 4; and Drilling Unit No. 1, Zone 5, of the Bar-X Anticline Area established by order of this Commission on December 5, 1956, in its Cause No. 4.
4. That gas is being, or is capable of being, produced from the Unit Bar-X Anticline Area, from the drilling units established in the Bar-X Anticline Area by order of the Commission in Cause No. 4, all of which production or potential production is from the Dakota-Upper Morrison, Salt Wash, and Entrada Formations.
5. That the following described wells have heretofore been drilled to one or more of the formations mentioned in Paragraph 4 hereof underlying the above described lands:

1. American Metal Government No. 2, located on the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 24, Township 17 South, Range 25 East, S.L.M., was completed January 9, 1957, at a total depth of 2820 feet. Initial production was 25 barrels of oil per day, which is now shut in. The productive zone is 2712 feet to 2743 feet, with producing intervals at 2712 feet to 2722 feet, and 2731 feet to 2743 feet.

2. Entrada Federal No. 1, located on the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19, Township 17 South, Range 26 East, S.L.M., was completed February 12, 1957, at a total depth of 2821 feet. Initial production was 5,800,000 cubic feet of gas per day. The productive zone is 2460 feet to 2509 feet, with producing intervals at 2460 feet to 2470 feet, and 2499 feet to 2509 feet.

3. Entrada Federal No. 5, located in the C SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 20, Township 17 South, Range 26 East, S.L.M., total depth 2566 feet - Gas was encountered in the Salt Wash (Drilled as a tight hole; no other completion data).

4. Rock Island Refining-Gibson Government No. 1-A, located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, Township 17 South, Range 26 East, S.L.M., total depth 2121 feet; Log Tops: Morrison 1663 feet; Salt Wash 2020 feet; Dry, plugged and abandoned on March 19, 1957.

6. That geological data obtained in the course of drilling American Metal Well No. Government 2, and Rock Island Refining Company Well No. Government 1-A, demonstrate that the Bar-X Field or Anticline Area does not extend as far southwest or south as the drilling units requested.

7. That having heretofore found in Cause No. 4 that the Bar-X Field or Anticline Area extends as far south as Section 21: Lot 3; Section 20: N $\frac{1}{2}$ S $\frac{1}{2}$; and Section 19: N $\frac{1}{2}$ S $\frac{1}{2}$, of Township 17 South, Range 26 East, and, Section 24: N $\frac{1}{2}$ SW $\frac{1}{4}$, NE $\frac{1}{4}$, of Township 17 South, Range 25 East, S.L.M., and in the face of affirmative evidence that Well No. Entrada Federal 1, is a commercial gas producer located only 660 feet south of the established boundary of the field, and that Well No. Entrada Federal 5, which was drilled approximately the same distance from said boundary and

on approximately the same contour line, has had shows of gas, the Commission must find that the field extends some distance south of the heretofore established boundary line, and at least some distance south of the Entrada Wells, and also that it extends to the west along the general contour lines to embrace the acreage included in Drilling Unit No. 1, Zone 6, as hereinafter described.

8. That geological data obtained in the course of the drilling of said wells and other available geological data indicate the presence of several zones, whether of one or more benches, each containing a single pool underlying the Bar-X Anticline Area, and that each pool constitutes an underground reservoir containing a common accumulation of gas underlying the following described lands in Grand County, Utah; to-wit:

Township 17 South, Range 25 East, S.L.M.

Section 1: Lots 1, 2, 3 and 4,
SW $\frac{1}{2}$, NE $\frac{1}{2}$
Section 2: All
Section 3: All
Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$
Section 9: E $\frac{1}{2}$
Section 10: All
Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$
Section 14: All
Section 15: All
Section 16: E $\frac{1}{2}$ E $\frac{1}{4}$
Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, SW $\frac{1}{4}$
Section 25: NE $\frac{1}{4}$

Township 17 South, Range 26 East, S.L.M.

Section 4: Lots 1, 2, 3 and 4
Section 5: All
Section 6: Lots 1, 2, 3 and 4,
SW $\frac{1}{2}$, NE $\frac{1}{2}$
Section 8: N $\frac{1}{2}$
Section 9: Lots 1 and 2
Section 10: S $\frac{1}{2}$ S $\frac{1}{2}$
Section 18: S $\frac{1}{2}$ S $\frac{1}{2}$
Section 19: All
Section 20: All
Section 21: Lots 1, 2, 3 and 4
Section 28: Lot 1
Section 29: N $\frac{1}{2}$ NW $\frac{1}{4}$
Section 30: N $\frac{1}{2}$ NW $\frac{1}{4}$.

9. That the Entrada wells are capable of drawing gas from beyond the leasehold interest of the operator.

10. That to require the drilling of offset wells to the north, south, and west, in order to protect correlative rights, would constitute the drilling of unnecessary wells.

11. The Commission, therefore, finds and concludes, primarily because of the dry holes to the south and west, that the Entrada wells are near the edge of the Bar-X Field and it would be impractical as well as improper to establish drilling units of the size as heretofore established for said field and for the area covered by the application; that the evidence is not sufficient to establish that the field extends to the south beyond the limits established hereby, and because two wells have already been drilled, at least two units should be established; and that in order to protect correlative rights and prevent the drilling of unnecessary wells, drilling units of approximately 320 acres should be established for the Entrada wells and the acreage to the west of Well No. Entrada Federal 1, which is on the same contour, and the units adjoining on the north should be reduced in size as determined hereby.

CONCLUSION

The Commission, therefore, concludes that the application should be granted subject to the modifications herein set out.

ORDER

IT IS HEREBY ORDERED that the following rules and regulations shall apply to wells heretofore and hereafter drilled, completed, or recompleted in the Bar-X Anticline Area, as herein defined, in addition to other applicable rules, regulations, and orders of the Commission, if any, heretofore adopted and not in conflict herewith.

Field Rule 3-4, adopted by the Commission, December 5, 1956, in Cause No. 4, is amended to read as follows:

Field Rule 3-4-10. The Bar-X Anticline Area, as herein defined, is hereby divided into [5] 6 zones, which contain the acreage described as follows:

Zones 1, 2 and 3 shall embrace the same lands as are set forth in the Order of December 5, 1956, in Cause No. 4.

Zone 4 - shall be amended to read as follows:

Section 13: S $\frac{1}{2}$ SW $\frac{1}{4}$, S $\frac{1}{2}$, Twp. 17 S, R. 25 E, SLEM
 Section 24: N $\frac{1}{2}$ W $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 18: S $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: NW $\frac{1}{4}$, [N $\frac{1}{2}$ SW $\frac{1}{4}$] N $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM

Zone 5 - shall be amended to read as follows:

Section 17: $S\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
 Section 18: $S\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: $NE\frac{1}{4}$, $\left[N\frac{1}{2}SE\frac{1}{4} \right]$ $N\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM
 Section 20: $N\frac{1}{2}$, $\left[N\frac{1}{2}S\frac{1}{2} \right]$ $N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S,
 R. 26 E, SLEM
 Section 21: Lot 1, 2, $\left[3 \right]$ $N\frac{1}{2}$ Lot 3, Twp. 17 S,
 R. 26 E, SLEM

Zone 6 - shall be added as follows:

Section 24: $SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
Section 25: $NE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
Section 19: $S\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
Section 20: $S\frac{1}{2}S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
Section 21: $S\frac{1}{2}$ Lot 3; and Lot 4, Twp. 17 S, R. 26 E, SLEM
Section 28: $N\frac{1}{2}$ Lot 1, Twp. 17 S, R. 26 E, SLEM
Section 29: $N\frac{1}{2}N\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
Section 30: $N\frac{1}{2}N\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM

Field Rule 4-4, adopted by the Commission, December 5, 1956, in Cause No. 4, is amended to read as follows:

Field Rule 4-4-10. Drilling Units shall be and the same are hereby established for each zone, as follows: to-wit:

Drilling Units in Zones 1, 2 and 3 shall embrace the same lands as are set forth in the Order of December 5, 1956, in Cause No. 4.

Drilling Units in ZONE 4 shall be amended as follows:

Drilling Unit No. 1 shall consist of the following described acreage:

Section 13: $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 24: $N\frac{1}{2}NW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 13: $E\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 24: $E\frac{1}{2}NE\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
 Section 18: $S\frac{1}{2}SW\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: $NW\frac{1}{4}$, $\left[N\frac{1}{2}SW\frac{1}{4} \right]$ $N\frac{1}{2}SW\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM.

Drilling Units in ZONE 5 shall be amended as follows:

Drilling Unit No. 1 shall consist of the following described acreage:

Section 17: $SW\frac{1}{2}SW\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 18: $S\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
 Section 19: $NE\frac{1}{4}$, $\left[N\frac{1}{2}SE\frac{1}{4} \right]$ $N\frac{1}{2}SE\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM
 Section 20: $W\frac{1}{2}NW\frac{1}{4}$, $\left[NW\frac{1}{2}SW\frac{1}{4} \right]$ $N\frac{1}{2}NW\frac{1}{2}SW\frac{1}{4}$, Twp. 17 S,
 R. 26 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

- Section 16: Lot 4, Twp. 17 S, R. 26 E, SLEM
- Section 17: SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
- Section 20: E $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$, [NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$,]
E $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S, R. 26 E, SLEM
- Section 21: Lots 1, 2 and 3, Twp. 17 S, R. 26 E, SLEM

Drilling Units in ZONE 6 shall be added as follows:

ZONE 6

Drilling Unit No. 1 shall consist of the following described acreage:

- Section 24: SE $\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM
- Section 25: NE $\frac{1}{4}$, Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

- Section 19: S $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
- Section 30: W $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM

Drilling Unit No. 3 shall consist of the following described acreage:

- Section 20: S $\frac{1}{2}$ S $\frac{1}{2}$, S $\frac{1}{2}$ N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM
- Section 21: S $\frac{1}{2}$ Lot 3; and Lot 4, Twp. 17 S, R. 26 E, SLEM
- Section 28: W $\frac{1}{2}$ Lot 1, Twp. 17 S, R. 26 E, SLEM
- Section 29: N $\frac{1}{2}$ N $\frac{1}{2}$ W $\frac{1}{2}$, Twp. 17 S, R. 26 E, SLEM

Field Rule 5-4, adopted by the Commission, December 5, 1956, in Cause No. 4, is redesignated as Field Rule 5-4-10, and adopted as part of this Order which rule is as follows:

Field Rule 5-4-10. On each drilling unit, as heretofore described, one well may be completed or recompleted into two or more of the producing zones or horizons as a multiple completion, or as an alternative, one well may be completed or recompleted into any one of the producing zones or horizons as a single completion, provided, no more than one well shall produce from the same horizon in each drilling unit.

IT IS FURTHER ORDERED that Well No. Entrada Federal 1 is designated as the drilling well for Drilling Unit No. 2, of Zone 6, for the zones or horizons from which it is producing, and Well No. Entrada Federal 5, is designated as the drilling unit well for Drilling Unit No. 3, of Zone 6, for the zones or horizons from which it is capable of producing.

IT IS FURTHER ORDERED that the drilling unit well for Drilling Unit No. 1, of Zone 6, shall be drilled not less than 1200 feet from the unit boundary line.

IT IS FURTHER ORDERED that the rules and regulations contained herein shall become effective forthwith, and henceforth the commencement of the drilling of any well or wells in the Bar-X Anticline Area, as defined herein and in the Order of December 5, 1956, entered in Cause No. 4, for the purpose of producing gas therefrom at a location other than authorized by this Order, is hereby prohibited.

IT IS FURTHER ORDERED that the Commission expressly reserves its right, after notice and hearing, to alter, amend, or repeal any and/or all of the above rules and regulations.

ORDERED this 13th day of December, 1957.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH


EDWARD W. CLYDE, Commissioner Presiding


C. R. HENDERSON, Chairman


C. S. THOMSON, Commissioner

M. V. HATCH, Commissioner


W. G. MANN, Commissioner