

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

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IN THE MATTER OF THE APPLICA- )	
TION OF MONSANTO CHEMICAL )	CAUSE NO. 62
COMPANY TO ESTABLISH DRILLING )	
UNITS FOR THE UNNAMED POOL, )	FINDINGS OF FACT,
SAN JUAN COUNTY, UTAH, AS TO )	CONCLUSIONS OF LAW
THE KNOWN PRODUCING ZONES OF )	and ORDER
THE UPPER HERMOSA FORMATION )	

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On August 7, 1961, Monsanto Chemical Company filed herein its application for an order establishing 80-acre drilling units for the unnamed pool, San Juan County, Utah, as to the known producing zones of the Upper Hermosa Formation. Said matter was set for hearing before and was heard by the Oil and Gas Conservation Commission on Wednesday, September 13, 1961, at 10:00 o'clock A.M.

Due and legal notice of said hearing was given in accordance with the applicable laws and regulations.

Francis M. Gibbons and Clair M. Senior appeared representing the applicant. No other appearances were made and no one objected to the granting of the application.

NOW, THEREFORE, from the testimony adduced at the hearing and from the records on file herein, the Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The area involved in this cause, as amended by the Applicant at the hearing (hereinafter for convenience called subject area), lies within San Juan County and is described as follows:

Township 38 South, Range 22 East, S.L.M.

Section 21: All  
Section 22: All  
Section 27: All  
Section 28: All

2. The Applicant is a corporation organized under the laws of the State of Delaware and qualified to do business within the State of Utah.

3. The Applicant owns working interests in certain federal oil and gas leases covering the subject area.

4. The subject area contains common accumulations of oil in the Ismay Formation of the Upper Hermosa Formation. These common accumulations of oil exist in a pool or pools and constitute a common source of supply.

5. One well to each 80 acres will efficiently and economically drain the reservoir as found in and underlying the subject area.

6. Eighty-acre spacing and drilling units for the subject area should be established in order to prevent waste, to avoid the drilling of unnecessary wells and to protect the correlative rights of interested parties. No more than one well should be drilled on any such unit for the producing of oil or gas from the Ismay Formation.

7. The drilling and spacing units for the subject area should be formed by dividing each governmental quarter section into two such units to consist respectively of the east half of such quarter section and the west half of such quarter section.

8. Except as may be hereafter ordered by the Commission, after notice and hearing, the permitted well for a spacing unit in the west half of a governmental quarter section should be located in the approximate center of the northwest quarter and the permitted well for a spacing unit in the east half of a governmental quarter section should be located in the approximate center of the southeast quarter and should be not less than 500 feet from any property or lease line or governmental quarter-quarter section line.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter of this cause and over the lessees and operators in the area involved. Notice of the hearing was given in all respects as required by law.

2. The Ismay Formation is continuous over the subject area and constitutes a common pool or source of supply.

3. One well to each 80 acres will efficiently and economically drain the said pool or common source of supply as found in and underlying the subject area.

4. The establishment of 80-acre spacing and drilling units for the subject area is necessary to prevent waste, to

avoid the drilling of unnecessary wells and to protect the correlative rights of interested parties.

5. The shape and pattern of the spacing units for the subject area should be as set forth and defined in Finding 7 of the foregoing Findings.

6. No more than one well should be drilled on any such spacing or drilling unit for the production of oil or gas from the Ismay Formation.

7. The locations or patterns of the permitted wells should be as set forth in Finding 8 of the foregoing Findings.

8. The here-involved application for the issuance by this Commission of an Order establishing 80-acre spacing should be granted.

#### ORDER

IT IS THEREFORE ORDERED by the Commission as follows:

1. That 80-acre drilling and spacing units be and the same are hereby established for the production of oil and gas from the Ismay Formation underlying the subject area.

2. That the shape and pattern of such drilling and spacing units shall be as set forth and defined in Finding 7 of the foregoing Findings.

3. That no more than one well shall be drilled on any such unit for the production of oil or gas from the Ismay Formation.

4. That the location of the permitted well for each

such unit shall be as set forth and defined in Finding 8 of the foregoing Findings, provided, however, that an exception in respect to the location of a permitted well may be had without notice or hearing upon the filing with the Commission of an application showing that the proposed exception location is within the quarter-quarter section specified hereunder as the situs for the permitted well; that topographic conditions exist which reasonably require a well location nearer than 500 feet to one or more boundaries of said quarter-quarter section; and either that the ownership of all oil and gas leases within a radius of 660 feet of the proposed exception location is common with the ownership of the oil and gas leases upon the proposed exception location or that all owners of oil and gas leases within such radius have consented in writing to the proposed exception location.

5. That nothing in the foregoing Findings of Fact or Conclusions or Law or in this Order is intended or shall be construed in any manner to determine or affect any question relating to the boundaries of any lease or the title to any lands or to determine the rights of any party in respect to any voluntary or involuntary pooling of interests within any hereby established spacing or drilling unit.

6. That this Order shall be effective forthwith;  
and

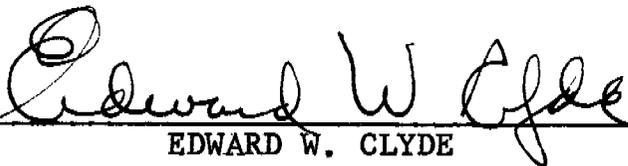
7. The Commission retains continuing jurisdiction

of all matters covered by this Order.

DATED this 13th day of September, 1961.

By order of

THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF UTAH

  
\_\_\_\_\_  
EDWARD W. CLYDE  
Commissioner Presiding

APPROVED:

  
\_\_\_\_\_  
Chairman

  
\_\_\_\_\_, Commissioner

  
\_\_\_\_\_, Commissioner

\_\_\_\_\_, Commissioner



# SKELLY OIL COMPANY

P. O. Box 1650  
TULSA 2, OKLAHOMA

September 8, 1961

PRODUCTION DEPARTMENT  
C. L. BLACKSHER, VICE PRESIDENT  
W. P. WHITMORE, GENERAL MANAGER

Re: Cause No. 62  
Cottonwood Creek Area,  
San Juan County, Utah

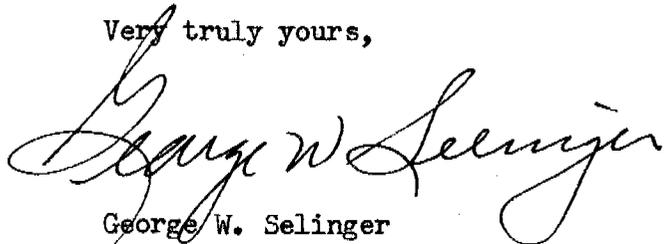
Utah Oil & Gas Conservation Commission  
310 Newhouse Building  
Salt Lake City, Utah

Gentlemen:

We are in receipt of notice of hearing in Cause No. 62 advising that hearing on application of Monsanto Chemical Company has been set for hearing Wednesday, September 13, 1961.

We have been sent a copy of Monsanto's application, and this is to advise that as interested operator and particularly owner of the east offset acreage, we concur in the proposed establishment of 80-acre drilling units for the producing zones as requested by Monsanto.

Very truly yours,



George W. Selinger

GWS:br

cc-Monsanto Chemical Company  
Lion Oil Company Division  
1310 Denver Club Building  
Denver, Colorado

Attn: Mr. J. Murphy, Jr.