

BEFORE THE BOARD OF OIL, GAS & MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH



| | | |
|---|---|----------------|
| IN THE MATTER OF THE APPLICATION OF |) | |
| LADD PETROLEUM CORPORATION FOR AN |) | ORDER |
| ORDER MODIFYING FOUR 80-ACRE DRILLING |) | |
| UNITS FOR THE DESERT CREEK AND ISMAY |) | CAUSE NO. 85-4 |
| FORMATIONS IN THE S1/2 OF SECTION 17, |) | |
| TOWNSHIP 40 SOUTH, RANGE 23 EAST, |) | |
| RECAPTURE CREEK FIELD, SAN JUAN COUNTY, |) | |
| UTAH |) | |

Pursuant to the Application of Ladd Petroleum Corporation, this cause came on for hearing before the Utah Board of Oil, Gas & Mining on September 25, 1980, at 1:30 p.m. in the Executive Conference Room of the Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following board members were present for the hearing:

Charles R. Henderson, Chairman
Edward T. Beck
E. Steele McIntyre
John H. Bell
Max A. Farbman

Also present and participating at the hearing were Cleon B. Feight, Director, and Michael Minder, Engineer, for the Utah Division of Oil, Gas & Mining; and Denise Drago, Esq., Assistant Utah Attorney General. The applicant was represented by Robert G. Pruitt, Jr. of Pruitt & Gushee, and R. Kyle Yoder, Geologist, testified for the applicant.

NOW, THEREFORE, the Board, having considered the testimony and the exhibits produced by the Applicant, and being fully advised in the premises, now unanimously makes and enters the following:

FINDINGS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and by the rules and regulations of the Board.

2. The Board has jurisdiction over the matter covered by said application and over all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The original Order in Cause No. 85 dated February 14, 1963, established 80-acre "standup" drilling and spacing units in the S1/2 of Section 17, comprising the E1/2 and W1/2 of each quarter section. The 1963 Order designated that the permitted well for each unit should be the NW1/4 of the quarter section and the SE1/4 of the quarter section, not less than 500 feet from any property or lease or government quarter-quarter section line, with additional provisos as set forth in said Order.

4. The 80-acre "standup" units in the S1/2 of Section 17 do not conform with existing lease boundary lines and will require pooling across lease lines if wells are drilled in the existing drilling units in the S1/2 of Section 17.

5. If the existing 80-acre drilling units are modified, to make them "laydown" units comprising the N1/2 of each quarter section and the S1/2 of each quarter section, said drilling units will conform with existing lease boundaries and will not require pooling across lease boundaries if wells are drilled. It will not be necessary to change the permitted location for each well, as set forth in the original Order, if the drilling units are so modified.

6. The only lessees within the area requested by the applicant to be modified are (1) Ladd Petroleum Corporation and (2) Walter Duncan Oil Properties.

7. A letter dated September 5, 1980, from Walter Duncan Oil Properties, has been received by the Division of Oil, Gas & Mining in which Walter Duncan Oil Properties agrees to the modification requested by the applicant to establish "laydown" 80-acre drilling and spacing units for the S1/2 of Section 17.

ORDER

IT IS THEREFORE ORDERED THAT:

1. The Order in Cause No. 85, dated February 14, 1963, is hereby modified to provide that the 80-acre drilling and spacing units comprising the S1/2 of Section 17, Township 40 South, Range 23 East, shall consist of the N1/2 and S1/2 of each quarter section and that the permitted drill site locations shall remain unchanged.

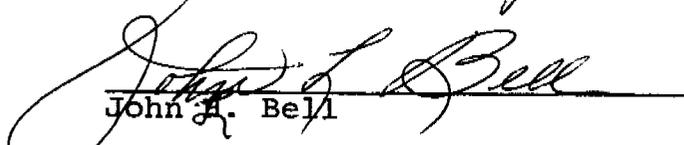
2. Any offset well to the existing abandoned well in the SE1/4 of Section 17 may be approved by the Director of the Division of Oil, Gas & Mining administratively without the necessity of a further hearing. The board retains continuing jurisdiction over this matter in all respects.

DATED this 25th day of September, 1980.


Charles R. Henderson, Chairman

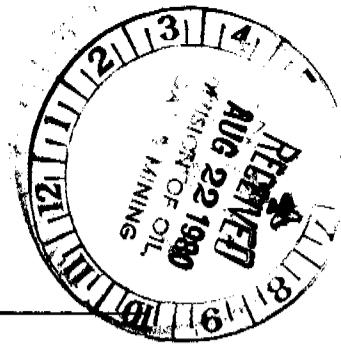

Edward T. Beck


E. Steele McIntyre


John A. Bell

Max A. Farbman

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
OF THE STATE OF UTAH



| | |
|--|--|
| IN THE MATTER OF THE APPLICA-) TION OF LADD PETROLEUM) CORPORATION FOR AN ORDER) MODIFYING FOUR 80-ACRE DRILL-) ING UNITS FOR THE DESERT CREEK) AND ISMAY FORMATIONS IN THE) S½ OF SEC. 17, T40S, R23E,) RECAPTURE CREEK FIELD, SAN) JUAN COUNTY, UTAH) | APPLICATION FOR MODIFYING ORDER Cause No. 85-4 |
|--|--|

LADD PETROLEUM CORPORATION, by and through its attorneys, Pruitt & Gushee, hereby applies to the Board for an Order modifying the Order dated February 14, 1963 in Cause No. 85 for the purpose of redefining four 80-acre spacing units in the S½ of Sec. 17, T40S, R23E of the Recapture Creek Field in San Juan County, Utah to better conform to existing lease boundaries and to prevent the drilling of unnecessary wells in the Recapture Creek Field.

The 1963 Order in Cause No. 85 established 80-acre "standup" drilling and spacing units each consisting of the E½ and W½ of each quarter section, specifying that the permitted drillsite locations would be in the NW¼ and SE¼ of each such quarter section. The modification requested by applicant is to redefine the four 80-acre drilling and spacing units for the S½ of Section 17 (only) to be "lay down" 80-acre drilling units, comprising the N½ and S½ of the two quarter sections, and to leave unchanged the permitted drillsite locations. As will be shown by testimony and evidence at the hearing, such "lay down" 80-acre drilling units will conform exactly to existing lease boundaries and will avoid necessity of pooling across existing lease boundaries and the drilling of unnecessary wells on another's lease in order to protect correlative rights.

DATED this 21ST day of August, 1980.

PRUITT & GUSHEE

By: Robert G. Pruitt, Jr.
Robert G. Pruitt, Jr.
Attorneys for
Ladd Petroleum Corporation

LAW OFFICES

PRUITT & GUSHEE

SUITE 875 BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111

(801) 531-8446

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.
F. ALAN FLETCHER
THOMAS A. NELSON
RICHARD B. JOHNS
ROBERT G. PRUITT, III

August 21, 1980

Mr. Cleon B. Feight
Director
Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, UT 84116

Re: Cause No. 85-4

Dear Jack:

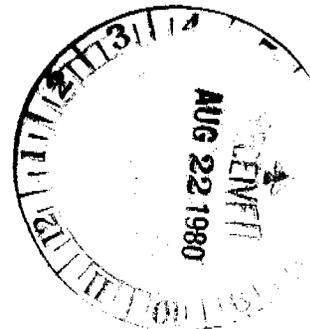
Enclosed is an Application on behalf of Ladd Petroleum Corporation for a modifying order. It would be appreciated if this Application could be scheduled at your next hearing on September 25, 1980.

Also enclosed is a list of all parties owning interests in the vicinity of the affected lands. If you need any further information or explanation, please call me anytime.

Yours very truly,

Robert G. Pruitt, Jr.

RGP:jr
Enclosure
cc Ladd Petroleum Corporation



List of Lessee's and Lessors
Surrounding Proposed Ladd - Federal
D-1A and D-2 Wells, Section 17
T40S-R23E, San Juan Co., Utah

Sec. 17: N $\frac{1}{2}$ and N $\frac{1}{2}$ S $\frac{1}{2}$

Lessee: Raymond T. Duncan
Duncan Oil Properties
1300 Writers Center IV
1720 So. Bellaire St.
Denver, Colorado 80222

Lessor: U.S.A.

USGS

8440 Federal Bldg.

125 So. State

Salt Lake City, Utah 84138

returned

Sec. 17: S $\frac{1}{2}$ S $\frac{1}{2}$

Lessee: Jack Hrynberg (Ladd Petroleum designated operator)
1050 17th St., Suite 1950
Denver, Colorado 80265

Lessor: U.S.A. (as above)

Sec. 16: S $\frac{1}{2}$

Lessee: Harry Ptaszynski
841 First National Bank Bldg.
P.O. Box 43
Casper, Wyoming 82602

Lessor: U.S.A. (as above)

Sec. 21: NW 1/4

Lessee: Ladd Petroleum Corporation
830 Denver Club Bldg.
Denver, Colorado 80202

Lessor: U.S.A. (as above)

Sec. 20: all except E 1/2 SE 1/4

Lessee: Ladd Petroleum Corporation (as above)

Lessor: U.S.A. (as above)

Sec. 20: E 1/2 SE 1/4

Lessee: Shell Oil Company

Rocky Mountain Division Operations
(Street Address not available)

Houston, Texas (zip not available)

Lessor: U.S.A. (as above)

Sec. 19: E 1/2 SE 1/4

Lessee: Jack Hynberg (as above)

Lessor: U.S.A. (as above)

Sec. 19: W 1/2 SE 1/4

Lessee: B.G. West (address not available)

Lessor: U.S.A. (as above)

Sec. 19: E 1/2 NE 1/4

Sec. 18: W 1/2 SE 1/4 and E 1/2 NE 1/4

Lessees: Consolidated Oil & Gas, Inc.
1860 Lincoln Street
Suite 1300, Lincoln Tower Bldg.
Denver Colorado 80202

✓ Petro - Lewis Corporation
Colorado State Bank Bldg.
P.O. Box 2250
Denver, Colorado 80201

✓ Phoenix Resources Co.
3555 N.W. 58th St. #300
Oklahoma City, Oklahoma 73112

E.A. Polumbus, Jr.
% Grace Petroleum Corporation
Three Park Central, Suite 200
1515 Arapahoe St.
Denver, Colorado 80202

✓ Lessor: U.S.A. (as above)

Sec. 19: W 1/2 NE 1/4

Sec. 18: E 1/2 SE 1/4 and W 1/2 NE 1/4

Lessee: Ladd Petroleum Corporation (as above)

H. E. Zoller, Jr. and K. A. Dannenberg
% Premier Resources, LTD
633 17th Street, Suite 2100
Denver, Colorado 80202

Petroleum, Inc.
500 Colorado State Bank Bldg.
Denver, Colorado 80202

Lessor: U.S.A. (as above)

Sec. 8: SW 1/4

Lessee: Ladd Petroleum Corporation (as above)

Lessor: U.S.A. (as above)

Sec. 8: SE 1/4

Lessee: Davis Oil Company
410 17th Street
Denver, Colorado 80202

Boardwalk Petroleum, Inc.
115 So. Main, Suite 403
Salt Lake City, Utah 84111

Lessor: U.S.A. (as above)

Sec. 9: SE 1/4

(5)

Lessee: J. Gregory Merriam and Robert L. Bayless
205 Petroleum Center
Box 1541
Farmington, New Mexico 87401

Lessor: U.S.A. (as above)