

8/23/65

Copy of order sent to
Frank Hawk, acty Pan Am

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

IN THE MATTER OF THE APPLICATION OF
PAN AMERICAN PETROLEUM CORPORATION
ESTABLISHING 640-ACRE DRILLING AND
SPACING UNITS FOR THE DEVELOPMENT OF
GAS PRODUCTION FROM THE GREEN RIVER
FORMATION UNDERLYING CERTAIN LANDS
IN UINTAH COUNTY, UTAH.

CAUSE NO. 114-1

ORDER

Pursuant to the Application of Pan American Petroleum Corporation,
this cause came on for hearing before the Oil and Gas Conservation Com-
mission of the State of Utah at 2:00 o'clock p.m. on Tuesday, June 15, 1965,
in the office of the Commission, Suite 301, I.B.M. Building, 348 East South
Tempee, Salt Lake City, Utah. The following Commissioners were present:

- Honorable Bryant H. Croft, Chairman, Presiding
- Honorable C. R. Henderson, Commissioner
- Honorable C. S. Thomson, Commissioner
- Honorable M. V. Hatch, Commissioner
- Honorable J. Harold Reese, Commissioner.

Also present:

- C. B. Feight, Esquire, Director and Executive Secretary,
Utah Oil and Gas Conservation Commission.
- Paul W. Burchell, Chief Engineer,
Utah Oil and Gas Conservation Commission.
- Harvey Coonts, Engineer,
Utah Oil and Gas Conservation Commission.
- Ronald Boyce, Esquire,
Assistant Attorney General, State of Utah.

Appearances were made as follows:

FOR THE APPLICANT: Frank H. Houck, Esquire,
Denver, Colorado.

FOR CALIFORNIA OIL COMPANY: Howard L. Edwards, Esquire,
Salt Lake City, Utah.

FOR SUNRAY DX OIL COMPANY: R. C. Spurlock,
Tulsa, Oklahoma.

FOR UNITED STATES GEOLOGICAL SURVEY: Rodney A. Smith and
George Brown.

Mr. Houck moved that the Application on file in this cause be amended to eliminate the three western sections of land included in the Application, the three said sections being identified as Sections 26 and 35 in Township 7 South, Range 24 East, and Section 2 in Township 8 South, Range 24 East and further amended to add a provision that no well be located closer than 1820 feet to the boundary of the Red Wash Unit Area as that boundary passes through the proposed spaced area to the west of and adjacent to Sections 25 and 36 in Township 7 South, Range 24 East and Section 1 in Township 8 South, Range 24 East. There being no objection to the amendment, the motion was granted and the Application was amended as requested. Letters to the Commission from Amerada Petroleum Corporation, Kerr-McGee Oil Industries, Inc., California Oil Company, and Frank J. Allen, representing J. D. Archer Company, were read into the record. Evidence was thereupon introduced on behalf of the Applicant and received by the Commission.

The Commission, having heard the testimony of the witnesses and having considered the evidence and being advised in the premises, now makes and enters the following:

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law.

2. The Commission 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. One well will efficiently and economically drain the recoverable gas from 640 acres in the Green River formation underlying the lands described below.

4. In order to prevent waste, to avoid the drilling of unnecessary wells, and to protect correlative rights, drilling units should be established for the development and production of gas from the Green River formation underlying the following lands situated in Uintah County, Utah:

Township 7 South, Range 24 East, SLBM

Section 25: All ✓

Section 36: All ✓

Township 8 South, Range 24 East, SLBM

Section 1: All ✓

Township 7 South, Range 25 East, SLBM

Section 30: All ✓

Section 31: All ✓

Township 8 South, Range 25 East, SLBM

Section 6: All ✓

with each section comprising one such drilling unit. The permitted well for each such drilling unit should be located in any one of the quarter-quarter sections contiguous to the center of each drilling unit. No well should be located closer than 1820 feet to the boundary of the Red Wash Unit Area where that boundary joins the western boundary of the area herein described.

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5. The well located in the NE/4 NE/4 of Section 36, Township 7 South, Range 24 East, should be allowed as an exception to the well spacing program, and no other well should be permitted to be drilled in said Section 36.

IT IS THEREFORE ORDERED:

1. That there is established approximately 640-acre drilling units for the development of gas production from the Green River formation underlying the following described area in Uintah County, Utah:

Township 7 South, Range 24 East, SLBM

Section 25: All

Section 36: All

Township 8 South, Range 24 East, SLBM

Section 1: All

Township 7 South, Range 25 East, SLBM

Section 30: All

Section 31: All

Township 8 South, Range 25 East, SLBM

Section 6: All

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with each section comprising one such drilling unit.

2. That the permitted well for each such drilling unit be located ^{P 39}
in any one of the quarter-quarter sections contiguous to the center of the
drilling unit.

3. That the well located in the northeast quarter of the northeast
quarter of Section 36, Township 7 South, Range 24 East, Salt Lake Base ^{P 39}
Meridian, be allowed as an exception to the well spacing program estab-
lished by this order, and said well shall be the only well to be drilled in
said Section 36.

4. That pursuant to the written statements received from Kerr-
McGee Oil Industries, Inc., in this cause, under date of June 8th, 1965, ^{P 40}
to the effect that if the Application of Pan American Petroleum Corporation
is granted in Cause No. 114-1, the Kerr-McGee Oil Industries, Inc., requests
approval to move its previously approved location for its Uintah Federal
No. 1-30 well to the center of the northeast quarter of the southwest quarter
of Section 30, Township 7 South, Range 25 East: It is ordered that Kerr-
McGee Oil Industries, Inc., be authorized to drill its Uintah Federal No.
1-30 well in the center of the northeast quarter of the southwest quarter
of said Section 30.

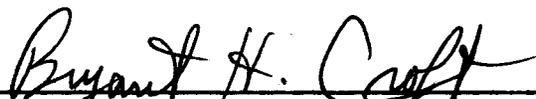
5. That so much of the pool which is a part of the Red Wash Unit
that may otherwise be subject to the provisions of Section 40-6-6(d), Utah ^{P 40}
Code Annotated, 1953, is excluded from this order, from the spacing and
drilling unit requirements, since, in the opinion of the Commission, and
pursuant to Section 40-6-11 of said Code, the suspension of the Act in
this area is in accordance with good conservation practice, since the Red

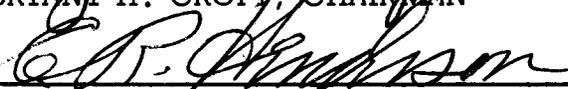
Wash Unit Agreement protects correlative rights and at the present time the California Oil Company has evidenced an intent in writing, to this Commission, filed in this cause, to follow a well-spacing pattern which is not in conflict with the Commission's spacing order outside of the Red Wash Unit.

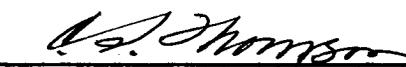
ENTERED this fifteenth day of June, 1965.

STATE OF UTAH

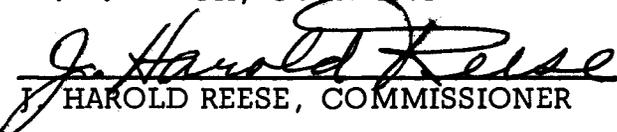
OIL AND GAS CONSERVATION COMMISSION


BRYANT H. CROFT, CHAIRMAN


C. R. HENDERSON, COMMISSIONER


C. S. THOMSON, COMMISSIONER


M. V. HATCH, COMMISSIONER


J. HAROLD REESE, COMMISSIONER