

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

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IN THE MATTER OF THE PETITION	:	FINDINGS OF FACT,
OF ALTA ENERGY CORPORATION FOR	:	CONCLUSIONS OF LAW,
AN ORDER PERMITTING THE REENTRY	:	AND ORDER
OF THE SUN FEDERAL D-2 WELL	:	
LOCATED IN SECTION 25, TOWNSHIP	:	DOCKET NO. 87-009
7 SOUTH, RANGE 24 EAST, S.L.M.,	:	CAUSE NO. 114-4
UINTAH COUNTY, UTAH	:	

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Pursuant to the Petition of Alta Energy Corporation this matter came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Thursday, April 23, 1987, in the boardroom of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah.

The following members of the Board were present and participated at the hearing:

Gregory P. Williams, Chairman
James W. Carter
Charles B. Henderson
Richard B. Larsen
John M. Garr
Judy F. Lever

The following members of the staff of the Division of Oil, Gas and Mining were present and participated at the hearing:

Dr. Dianne R. Nielson, Director
Ronald J. Firth, Associate Director, Oil and Gas
John R. Baza, Petroleum Engineer

The Division was represented by Barbara W. Roberts, Assistant Attorney General for the State of Utah.

The Petitioner, Alta Energy Corporation was represented by Hugh C. Garner of Hugh C. Garner & Associates, 136 South Main Street, Suite 700, Salt Lake City, Utah.

Testimony for the Petitioner was given by Pat M. Yocham and Hugh C. Garner.

NOW THEREFORE, the Board having considered the testimony adduced, the exhibits introduced in said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS OF FACT AND
CONCLUSIONS OF LAW

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

2. The Board has jurisdiction of the matter covered by said notice and of all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.

3. The Board has heretofore entered its order in Cause No. 114-1, establishing a 640 acre drilling unit for the Green River Formation underlying Section 25, Township 7 South, Range 24 East, Uintah County, Utah, and authorized the drilling of a replacement gas well in said Section 25 in Cause No. 114-2.

4. Pursuant to the order in Cause No. 114-2 the Sun Federal D-3 well was drilled and completed as a producing well and the Sun Federal D-2 well was to be plugged and abandoned. In fact, however, the operator temporarily, rather than permanently, plugged said well.

5. The Board is authorized to modify its previous orders to permit additional wells to be drilled within established drilling units under Utah Code Annotated 40-6-6(4), 1953, as amended 1983; and pursuant to the motion of Petitioner's counsel, the Petition was amended to cite such statutory authority rather than 40-6-6(d), Utah Code Annotated, 1953.

6. Petitioner's geological and petroleum reservoir evidence for the Green River Formation underlying Section 25, indicates a multiplicity of sand intervals are encountered on a vertical basis and these sand intervals demonstrate a lack of continuity. The productive sand intervals in the Sun Federal D-2 well and D-3 well are separate and distinct and not in communication with each other.

7. Because the Sun Federal D-2 well was temporarily, rather than permanently plugged, it is economically feasible to reenter and, if successful, complete said well as a producing well. It is not economically feasible to drill a new well under current market conditions.

8. These unique geological circumstances and favorable economic factors indicate that substantive amounts of additional natural gas may be recovered by permitting reentry and recompletion of the D-2 well.

ORDER

IT IS HEREBY ORDERED THAT:

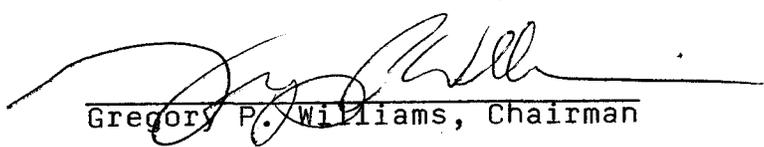
1. To prevent waste and to effect the maximum ultimate recovery of natural gas, the Petitioner is hereby authorized to reenter and recomplete the Sun Federal D-2 well as a well capable of production of gas from the Green River Formation.

2. The Petitioner is also granted permission to simultaneously produce the Sun Federal D-2 and D-3 wells.

3. The Board retains exclusive and continuing jurisdiction of all matters covered by this order and of all parties affected thereby, and particularly that the Board retains and reserves exclusive and continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

DATED this 0th day of May, 1987.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING



Gregory P. Williams, Chairman

Messrs. Garr, Larsen and Williams voted in favor of said Petition; Mr. Henderson voted against said Petition; Ms. Lever abstained; and Mr. Carter was absent at the time the Board's order was issued.