

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

IN THE MATTER OF THE APPLICATION :
OF LONE STAR PRODUCING COMPANY,
a corporation, FOR AN ORDER : ORDER
ESTABLISHING A SIX HUNDRED :
FORTY ACRE VOLUNTARY DRILLING :
UNIT FOR SECTION 18, TOWNSHIP :
31 SOUTH, RANGE 26 EAST, SALT : Cause No. 118-1
LAKE MERIDIAN, SAN JUAN COUNTY, :
UTAH. :

The above entitled matter having come on regularly for hearing before the Commission on November 9, 1965, after notice as provided by law and no objections to the application having been received, and the Commission having received evidence, heard the arguments of counsel, being fully advised in the premises and having entered its Findings of Fact and Conclusions of Law, IT IS HEREBY ORDERED:

(1) There is hereby established a voluntary drilling unit, in accordance with the provisions of Section 6(b) of the Utah Oil and Gas Conservation Act, comprising the whole of Section 18, Township 31 South, Range 26 East, Salt Lake Meridian, being approximately 640 acres.

(2) A drill site at a location within said unit 660 feet from the North boundary thereof and 1980 feet from the East boundary thereof is approved; PROVIDED, however, that this Order shall become effective only upon execution by the working interest owners in the oil and gas leases of lands within the unit and the approval by the United States Geological Survey of a communitization agreement substantially in the form of the agreement introduced by applicant as an exhibit herein.

DATED this 10th day of November, 1965.

BY THE COMMISSION

E. J. Johnson
[Signature]
[Signature]
C. B. Anderson
J. H. Kell

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

IN THE MATTER OF THE APPLICATION :	
OF LONE STAR PRODUCING COMPANY,	
a corporation, FOR AN ORDER :	FINDINGS OF FACT
ESTABLISHING A SIX HUNDRED	and
FORTY ACRE VOLUNTARY DRILLING :	CONCLUSIONS OF LAW
UNIT FOR SECTION 18, TOWNSHIP	
31 SOUTH, RANGE 26 EAST, SALT :	
LAKE MERIDIAN, SAN JUAN COUNTY,	Cause No. <u>118-1</u>
UTAH. :	

This matter came on regularly for hearing before the Commission at 9:00 o'clock A. M. on Tuesday, November 9, 1965 in the Commission Offices at Salt Lake City, Utah, pursuant to published notice on application of Lone Star Producing Company for the establishment of a voluntary drilling unit comprising all of Section 18, Township 31 South, Range 26 East. All Commissioners were present, the applicant was represented by Frank J. Allen, attorney, who submitted the following exhibits for incorporation in the record:

- (1) A status map indicated the ownership of oil and gas leases within Section 18.
- (2) A topographic map of Section 18, showing the proposed drilling site and the increasing irregularity of the terrain toward the south.
- (3) An estimate of costs to be incurred in drilling at the proposed site to 10,300 feet.
- (4) A copy of applicant's farm-out agreement with Union Oil Company including provision for the drilling of a well to 10,300 feet or Devonian whichever is first encountered.
- (5) A plat showing ownership of oil and gas leases of lands surrounding Section 18.
- (6) A copy of proposed communitization agreement covering lands of the proposed drilling unit.

The Commission, having examined the exhibits, having heard the arguments of counsel and being fully advised in the premises by virtue of the evidence herein and the evidence received in hearings related to proximate lands, now makes the following Findings of Fact:

FINDINGS OF FACT

(1) Notice of time, place and purpose of the hearing herein was duly given in the manner provided by law.

(2) The Commission has jurisdiction over the land and the subject matter of the application herein and has authority to enter an order granting the said application.

(3) The horizons from which production can be anticipated at the location of the proposed unit are at the approximate depth of 10,000 feet, and the most probable production is gas.

(4) Significant oil or gas deposits must be encountered at the proposed site to justify development; no physical or economic waste will result if the requested unit size is established until the nature of any producing structures can be explored, and there is no present evidence that six hundred forty acre spacing will not efficiently drain such structures.

(5) The owners of the working interests in the oil and gas leases of the lands within the proposed unit are amenable to communitization, and correlative rights will be protected by the agreement submitted herein and proposed to be executed by all working interest owners.

(6) No objections to the application have been received.

(7) The proposed drill site at a location 660 feet from the North boundary and 1980 feet from the East boundary of Section 18 is reasonable in view of the economics to be realized from the even nature of the terrain and the proximity to existing roads, and a discovery well at that site will not unduly impede orderly development on spacing pattern.

Based on the foregoing Findings of Fact, the Commission now adopts the following Conclusions of Law:

CONCLUSIONS OF LAW

(1) The establishment of a six hundred forty acre voluntary drilling unit comprised of the whole of Section 18, Township 31 South, Range 26 East, will promote the objectives of the Utah Oil and Gas Conservation Act, and the application of Lone Star Producing Company in this regard should be approved.

(2) A drilling site located 660 feet from the North boundary and 1980 feet from the East boundary of the unit will not impede development of the area and should be approved.

(3) An order of this Commission establishing the requested unit and approving the proposed drill site should be entered conditioned upon and effective as of the full execution by the parties therein identified and approval by the United States Geological Survey of a communitization agreement substantially in the form the agreement introduced by applicant as an exhibit herein.

DATED this 10th day of November, 1965.

BY THE

UTAH STATE OIL AND GAS CONSERVATION
COMMISSION

A. J. Johnson

James H. [unclear]

W. H. Hatch

C. R. Anderson

J. H. Reese