

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

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IN THE MATTER OF THE APPLICATION OF HOLMES P.
McLISH FOR AN ORDER ESTABLISHING 80-ACRE DRIL-
LING AND SPACING UNITS FOR THE DEVELOPMENT OF
OIL PRODUCTION FROM THE GREEN RIVER FORMATION
UNDERLYING CERTAIN LANDS IN UINTAH COUNTY, UTAH.

FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER
CAUSE NO. 127-1

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On April 21, 1967, Holmes P. McLish filed herein his application for an Order establishing 80-acre drilling and spacing units for the development of oil production from the Green River Formation underlying certain lands in Uintah County, Utah. Said matter was set for hearing before, and was heard by the Oil and Gas Conservation Commission on Friday, June 9, 1967, at 10:00 o'clock A.M.

Holmes P. McLish represented himself. No other appearances were made and no one objected to the granting of the application.

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

FINDINGS OF FACT

1. That the area involved in this cause lies within Uintah County and is described as follows:

Township 6 South, Range 20 East, SLBM
Sec. 24: All

Township 6 South, Range 21 East, SLBM
Sec. 19: All Sec. 20: W 1/2

2. That the applicant owns working interests in certain oil and gas leases covering the subject area.

3. That the subject area contains common accumulations of oil in the Green River Formation and Green River-Wasatch transition zone at a stratigraphic depth of not greater than 7727' (Reference: Gose Government #1, C NW SE Section 19, Township 6 South, Range 21 East.) These common accumulations of oil exist in a pool or pools and constitute a common source of supply.

4. That one well to each 80 acres will efficiently and economically drain the reservoir as found in and underlying the subject area.

5. That eighty-acre drilling and spacing 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 from the Green River

Formation and the Green River-Wasatch transition zone.

CONCLUSIONS OF LAW

1. That the Commission has jurisdiction over the subject matter of this cause, over the lessees and operations in the area involved.
2. That notice of hearing in this cause was duly given in all respects as required by law.
3. That the application of Holmes P. McLish for the issuance by this Commission of an Order establishing 80-acre drilling and spacing units should be granted.

ORDER

IT IS THEREFORE ORDERED, by this Commission as follows:

1. That eighty-acre drilling and spacing units be and the same are hereby established for the production of oil from the Green River Formation and the Green River-Wasatch transition zone at a stratigraphic depth of not greater than 7727 feet underlying the following described area:

Township 6 South, Range 20 East, SLBM
Sec. 24: All

Township 6 South, Range 21 East, SLBM
Sec. 19: All Sec. 20: W 1/2

2. That the drilling and spacing units for the subject area shall be formed by dividing each governmental quarter section into two units to consist respectively of the east half of such quarter section and the west half of such quarter section.
3. That no more than one well shall be drilled on any drilling and spacing unit for the production of oil from the Green River Formation and the Green River-Wasatch transition zone.
4. That the permitted well for each drilling and spacing unit shall be located in the SE 1/4 of the E 1/2 and the NW 1/4 of the W 1/2 of each quarter section, but not closer than 500 feet to the exterior boundaries of said legal subdivision (quarter-quarter section or lot), 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 a showing of consent from the operation of all drilling and spacing units established hereunder which adjoin or corner the drilling unit upon and for which the well is to be drilled.

5. That nothing in the foregoing Findings of Fact or Conclusions of 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 within any hereby established drilling or spacing units.

6. That this Order shall be effective forthwith; and

7. That the Commission retains continuing jurisdiction of all matters covered by this Order.

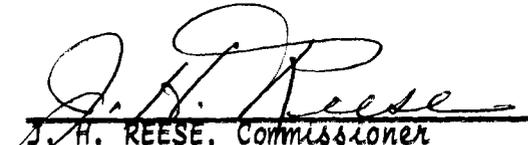
DATED this 9th day of June, 1967.

By Order of
THE OIL AND GAS CONSERVATION COMMISSION
of the STATE OF UTAH


C. S. THOMSON, Chairman


C. R. HENDERSON, Commissioner


M. V. HATCH, Commissioner


J. H. REESE, Commissioner

Paul's notes

Pen an, Kumble & McLeod
and Stone & McLeod

Cause # 127-1

Walrus P. McLeod

80 acre drilling & spacing units

Our Cholesterol and surrounding acreage

7480 - Top of ^{Wanted} ~~Wanted~~ ^{Production zone} ~~Production zone~~
\$ 7727 ft = ^{Would be depth} ~~depth~~ ^{limitation}

Oil Reserves ~~are~~ not considerable

Economics:

Depth of prod.	-	6900 - 7750	(60 ft of total pay)
Cost of drilling & testing	-	\$ 95,000	
Completing & Equipment	-	95,000	
		\$ 190,000	

at 2.30/bbl at well head = Net to operator = 2.00
after royalties

Four bars
Oil well &
Wants to
be drilled
through

60 bbl per acre ft recoverable
 60' @ 2.00 (80 acre spec)
 \$ 576,000 return of 3.03 x operator invested

Less than 80 acre (40 acre = only 1 1/2 times, investment)

∴ 40 acre uneconomical

160 acre = well won't draw due to Geology - sands and the big

Retrievable Lubing
Part Backed

PAN AMERICAN PETROLEUM CORPORATION

SECURITY LIFE BUILDING
DENVER, COLORADO 80202

May 31, 1967

File: AMR-1261-986.511

Re: Well Spacing
Horseshoe Bend Area
Uintah County, Utah

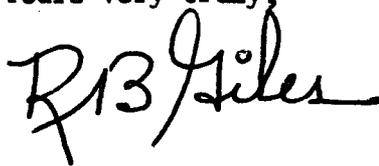
Mr. Cleon B. Feight
Director and Secretary
Utah Oil and Gas Conservation Commission
348 East South Temple
Salt Lake City, Utah 84111

Dear Mr. Feight:

In Cause No. 127-1 set for hearing on June 9, 1967, Holmes P. McLish requests 80 acre drilling and spacing units for development of oil produced from the Green River formation underlying 1600 acres in the Horseshoe Bend Area.

Pan American owns 28% leasehold interest in checkerboard 80 acre tracts within the proposed spaced area. This is to advise that Pan American supports McLish's request for 80 acre spacing of this Area. We do not plan to have a representative present at the hearing on Cause No. 127-1.

Yours very truly,



cc: Holmes P. McLish
4th Floor, Patterson Building
Denver, Colorado 80202