

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

IN THE MATTER OF THE APPLICATION OF )  
CHEVRON OIL COMPANY, WESTERN DIVISION, )  
FOR AN ORDER ESTABLISHING TEMPORARY )  
DRILLING UNITS FOR CERTAIN LANDS IN )  
DUCHESNE COUNTY, UTAH )

ORDER

CAUSE NO. 131-6

Pursuant to the Application of Chevron Oil Company, Western Division, this cause came on for hearing before the Board of Oil and Gas Conservation, Department of Natural Resources of the State of Utah at 10:00 a.m. on Thursday, February 19, 1970, in the Governor's Board Room, Second Floor, State Capitol Building, Salt Lake City, Utah. Said hearing was then removed to the Auditorium of the State Office Building. The following Board members were present:

Delbert M. Draper, Jr., Esq., Chairman, Presiding

Charles R. Henderson

Wallace D. Yardley

Wesley R. Dickerson

Also present:

Cleon B. Feight, Esq., Director, Division of Oil and Gas Conservation

Paul W. Burchell, Chief Petroleum Engineer, Division of Oil and Gas Conservation

Appearances were made as follows:

For the Applicant: William M. Balkovatz, Esq.  
Denver, Colorado

Richard K. Sager, Esq.  
Salt Lake City, Utah

For Mobil Oil Corporation: William R. Harrison, Esq.  
Denver, Colorado

Richard K. Sager, Esq.  
Salt Lake City, Utah

For Flying Diamond Land  
and Mineral Corporation: Keith C. Rooker, Esq.  
Salt Lake City, Utah

For certain Intervenors: Frank J. Allen, Esq.  
Salt Lake City, Utah

For the Ute Distribution  
Corporation: George C. Morris, Esq.  
Salt Lake City, Utah

For the Ute Tribe: Stephen C. Boyden, Esq.  
Salt Lake City, Utah

For Shell Oil Company: F. A. MacDougall  
Bakersfield, California

For Themselves:

Steven Malner, John Chasel,  
Jack Leavitt, Vic Brown  
Richard Olsen, Wes Bastian  
and James Powell, Duchesne  
County, Utah

For Himself and Eleven  
other Landowners:

Lionel Jensen, Duchesne  
County, Utah

NOW, THEREFORE, the Board, having considered the testimony adduced, and the exhibits received at said hearing, and being fully 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 and 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. By Order designed Cause No. 131-2, dated November 20, 1968, the Board, in addition to other matters ordered therein, established 320-acre drilling and spacing units for the production of oil, gas and associated hydrocarbons from a certain interval of the Lower Green River formation, as more particularly described in said Order, underlying the following described lands in Duchesne County, Utah:

Township 1 North, Range 1 West, U.S.M.

Section 31: All

Township 1 North, Range 2 West, U.S.M.

Section 32: All            Section 35: All  
Section 33: All            Section 36: All  
Section 34: All

Township 1 South, Range 1 West, U.S.M.

Section 6: All            Section 18: All  
Section 7: All            Section 19: All

Township 1 South, Range 2 West, U.S.M.

Section 1: All            Section 13: All  
Section 2: All            Section 14: All  
Section 3: All            Section 15: All  
Section 4: All            Section 16: All  
Section 5: All            Section 17: All  
Section 8: All            Section 20: All  
Section 9: All            Section 21: All  
Section 10: All           Section 22: All  
Section 11: All           Section 23: All  
Section 12: All           Section 24: All

4. By Order designated Cause No. 131-3, dated April 16, 1969, the Board extended the area spaced under said Order in Cause No. 131-2 to include the following described area in Duchesne County, Utah:

Township 1 North, Range 1 West, U.S.M.

Section 32: All            Section 33: All

Township 1 North, Range 2 West, U.S.M.

Section 31: All

Township 1 South, Range 1 West, U.S.M.

Section 4: All            Section 16: All  
Section 5: All            Section 17: All  
Section 8: All            Section 20: All  
Section 9: All            Section 21: All

Township 1 South, Range 2 West, U.S.M.

Section 6: All            Section 18: All  
Section 7: All            Section 19: All

5. That development drilling subsequent to said Orders has demonstrated that the existing spaced area should now be enlarged both areally and vertically.

6. That the lands known and believed to be underlain by the common sources of supply from which oil, gas and associated hydrocarbons can be produced from the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, situated in Duchesne County, Utah, include the lands described in paragraphs 3 and 4, above, and in addition, the following described lands, to-wit:

Township 1 North, Range 3 West, U.S.M.

Section 35: All            Section 36: All

Township 1 South, Range 3 West, U.S.M.

Section 1: All            Section 13: All  
Section 2: All            Section 14: All  
Section 11: All            Section 23: All  
Section 12: All            Section 24: All

7. That Section 40-6-6(a) of the Utah Code Annotated, 1953, authorizes the Board to divide any pool into zones and establish drilling units for each zone, which units may differ in size and shape from those established in any other zone.

8. That said Orders should remain in effect with respect to the 320-acre drilling units established therein covering the following described lands:

Township 1 South, Range 1 West, U.S.M.

Section 7: All            Section 8: All

Township 1 South, Range 2 West, U.S.M.

|                |                 |
|----------------|-----------------|
| Section 1: All | Section 10: All |
| Section 2: All | Section 11: All |
| Section 3: All | Section 12: All |
| Section 4: All |                 |

and that said Orders should be modified so that the 320-acre drilling units covering the lands last above described be limited to the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, and that said lands should be designated as Zone 1.

9. That said Orders should be vacated with respect to the 320-acre drilling units established therein covering the following described lands:

Township 1 North, Range 1 West, U.S.M.

|                 |                 |
|-----------------|-----------------|
| Section 31: All | Section 33: All |
| Section 32: All |                 |

Township 1 South, Range 1 West, U.S.M.

|                 |                 |
|-----------------|-----------------|
| Section 4: All  | Section 17: All |
| Section 5: All  | Section 18: All |
| Section 6: All  | Section 19: All |
| Section 9: All  | Section 20: All |
| Section 16: All | Section 21: All |

Township 1 North, Range 2 West, U.S.M.

|                 |                 |
|-----------------|-----------------|
| Section 31: All | Section 34: All |
| Section 32: All | Section 35: All |
| Section 33: All | Section 36: All |

Township 1 South, Range 2 West, U.S.M.

|                 |                 |
|-----------------|-----------------|
| Section 5: All  | Section 17: All |
| Section 6: All  | Section 18: All |
| Section 7: All  | Section 19: All |
| Section 8: All  | Section 20: All |
| Section 9: All  | Section 21: All |
| Section 13: All | Section 22: All |
| Section 14: All | Section 23: All |
| Section 15: All | Section 24: All |
| Section 16: All |                 |

10. That one well on a 640-acre tract will efficiently and economically drain the recoverable oil, gas and associated hydrocarbons from the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, underlying the lands described in paragraphs 6 and 9 above, and that the lands described in said paragraphs should be designated as Zone 2, and that a 640-acre drilling unit is not larger than the maximum area that can be efficiently and economically drained by one well.

11. In order to prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, and to protect correlative rights, the

interval spaced in said Orders should now be modified to include that interval of the Lower Green River formation, including Lower Green River transitional beds, defined as that interval below the stratigraphic equivalent of 9600 feet depth in the "E" log of the Carter #2 Bluebell well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 3, Township 1 South, Range 2 West, U.S.M., (which equivalence is the depth 9530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard well located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 3) down to and including the stratigraphic equivalent of 1,000 feet below the 12,733 foot drilled depth in the Chevron-Mobil Ute Tribal Unit #1 well located in the SW $\frac{1}{4}$ , Section 7, Township 1 South, Range 2 West, U.S.M., underlying the lands described in paragraphs 6, 8 and 9 above.

12. That lands described in paragraphs 6, 8 and 9, above, contain accumulations of oil, gas and associated hydrocarbons and that such accumulations exist in separate pools each constituting a separate common source of supply.

13. That drilling units should be established comprising each governmental section or governmental lots corresponding thereto, i.e., 640 acres, more or less, for the interval described in paragraph 12, above, covering the lands described in paragraphs 6 and 9 above.

14. That except for Section 34, Township 1 North, Range 2 West, U.S.M.; Sections 17 and 18, Township 1 South, Range 1 West, U.S.M., the permitted well for each drilling unit of 640 acres, more or less, should be located in the center of the SW $\frac{1}{4}$  of each of the Sections described in paragraphs 6 and 9 above, with a tolerance of 220 feet in any direction, and that with respect to said Sections 34, 17 and 18, that the existing well and drilling wells in the NE $\frac{1}{4}$  of said Sections respectively should be allowed as exceptions to the well spacing in said 640-acre drilling units, and that no other well be permitted to produce from the interval described in paragraph 12, above in the 640-acre drilling units comprising said Sections 34, 17 and 18.

15. That said Orders in Cause Nos. 131-2 and 131-3 should remain in effect with respect to the 80-acre drilling units established therein covering the interval applicable thereto, all as more particularly set forth therein.

#### O R D E R

IT IS THEREFORE ORDERED:

1. That the Orders issued in Cause No. 131-2, dated November 20, 1968, and in Cause No. 131-3, dated April 16, 1969, are hereby modified as follows:

- (a) that said Orders remain in effect with respect to the 80-acre drilling units established therein, covering the interval applicable thereto, all as more particularly set forth therein.
- (b) that said Orders remain in effect with respect to the 320-acre drilling units established therein covering the following described lands:

Township 1 South, Range 1 West, U.S.M.

Section 7: All            Section 8: All

Township 1 South, Range 2 West, U.S.M.

Section 1: All            Section 10: All  
 Section 2: All            Section 11: All  
 Section 3: All            Section 12: All  
 Section 4: All

and that said Orders be and the same are hereby modified so that the 320-acre drilling units covering the lands last above described be limited to the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, and that said lands are hereby designated as Zone 1.

- (c) that said Orders be and the same are hereby vacated with respect to the 320-acre drilling units established therein covering the following described lands:

Township 1 North, Range 1 West, U.S.M.

Section 31: All            Section 33: All  
 Section 32: All

Township 1 South, Range 1 West, U.S.M.

Section 4: All            Section 17: All  
 Section 5: All            Section 18: All  
 Section 6: All            Section 19: All  
 Section 9: All            Section 20: All  
 Section 16: All            Section 21: All

Township 1 North, Range 2 West, U.S.M.

Section 31: All            Section 34: All  
 Section 32: All            Section 35: All  
 Section 33: All            Section 36: All

Township 1 South, Range 2 West, U.S.M.

Section 5: All            Section 17: All  
 Section 6: All            Section 18: All  
 Section 7: All            Section 19: All  
 Section 8: All            Section 20: All  
 Section 9: All            Section 21: All  
 Section 13: All            Section 22: All  
 Section 14: All            Section 23: All  
 Section 15: All            Section 24: All  
 Section 16: All

(d) that the interval spaced in said Orders be and the same is hereby modified to include that interval of the Lower Green River formation, including Lower Green River transitional beds, defined as that interval below the stratigraphic equivalent of 9600 feet depth in the "E" log of the Carter #2 Bluebell well located in the SW $\frac{1}{2}$ NW $\frac{1}{4}$ , Section 3, Township 1 South, Range 2 West, U.S.M., (which equivalence is the depth 9530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard well located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$  of said Section 3) down to and including the stratigraphic equivalent of 1,000 feet below the 12,733 foot drilled depth in the Chevron-Mobil Ute Tribal Unit #1 well located in the SW $\frac{1}{2}$ , Section 7, Township 1 South, Range 2 West, U.S.M., underlying the lands described in paragraphs 1(b) and 1(c) above, and in the next paragraph 2 hereof.

2. That the lands known and believed to be underlain by the common sources of supply from which oil, gas and associated hydrocarbons can be produced from the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, situated in Duchesne County, Utah, include the lands described in paragraphs 1(b) and 1(c), above, and in addition, the following described lands, to-wit:

Township 1 North, Range 3 West, U.S.M.

Section 35: All                      Section 36: All

Township 1 South, Range 3 West, U.S.M.

Section 1: All                      Section 13: All  
 Section 2: All                      Section 14: All  
 Section 11: All                      Section 23: All  
 Section 12: All                      Section 24: All

3. That 640-acre drilling units be and the same are hereby established for the development and production of oil, gas and associated hydrocarbons from the interval described in paragraph 1(d), above, underlying the lands described in paragraph 1(c) and 2. of this Order, and that such lands are hereby designated as Zone 2.

4. That except for Section 34, Township 1 North, Range 2 West, U.S.M.; Sections 17 and 18, Township 1 South, Range 1 West, U.S.M., the permitted well for each drilling unit of 640 acres, more or less, shall be located in the center of the SW $\frac{1}{4}$  of each of the Sections described in paragraphs 1(c) and 2. above, with a tolerance of 220 feet in any direction, and that with respect to said Sections 34,

17 and 18, that the existing well and drilling wells, in the NE¼ of said Sections respectively are hereby allowed as exceptions to the well spacing in said 640-acre drilling units, and that no other well be permitted to produce from the interval described in paragraph 1(d) above in the 640-acre drilling units comprising said Sections 34, 17 and 18.

IT IS FURTHER ORDERED:

A. That this Order shall remain in effect for a period of one (1) year, and that the matters set forth herein shall again be heard by the Board at its regularly scheduled meeting in February 1971.

B. That during said one-year period the Board, on its own motion, may call a hearing to hear any new evidence as to the matters set forth herein.

C. That during said one-year period, any interested party may file an application requesting a hearing to present any new evidence concerning the matters set forth herein.

D. That during said one-year period the Applicant herein shall submit field rules to the Board's Staff for their review and issuance, if acceptable, concerning gas and oil production rates within the Bluebell Field.

E. That the Board desires ultimate uniform well spacing in the field.

F. That the Board retains continuing jurisdiction of all matters covered by this Order and all other applicable orders and over all parties affected thereby and particularly that the Board retains and reserves continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

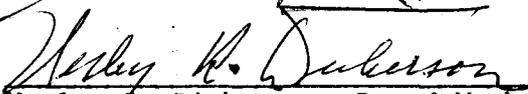
ENTERED this nineteenth day of February, 1970.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF UTAH

  
Delbert M. Draper, Jr., Chairman, Presiding

  
Charles R. Henderson, Board Member

  
Wallace D. Yardley, Board Member

  
Wesley R. Dickerson, Board Member