

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

IN THE MATTER OF THE PROMULGATION)
AND ADOPTION OF AN ORDER ESTABLISHING) ORDER
CG-~~XXXXXXXXXX~~ DRILLING UNITS FOR THE)
CEDAR RIM-SINK DRAW AREA, DUCHESNE) CAUSE NO. 140-6
COUNTY, UTAH.)

Pursuant to its own motion, 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 Wednesday, August 11, 1971, in the Governor's Board Room, Second Floor, State Capitol Building, Salt Lake City, Utah. The following Board members were present:

Delbert M. Draper, Jr., Esq., Chairman, Presiding
Wesley R. Dickerson
Robert R. Norman
Evert J. Jensen

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 Mountain Fuel Supply Company:

Glen M. Hatch, Esq., Salt Lake City, Utah

For Mobil Oil Corporation:

Frank Allen, Esq., Salt Lake City, Utah

For Chevron Oil Company, Western Division:

Bill Balkavatz, Esq., Denver, Colorado

For Shell Oil Company:

D. F. Gallion, Esq., Denver, Colorado

For Amerada Hess Corporation:

F. V. Ballard, P. O. Box 2040, Tulsa Oklahoma

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 as required by law and the Rules and Regulations of the Board.

2. The Board has jurisdiction over the matter covered by said Cause and over all parties interested therein and has jurisdiction to make and promulgate the Order herein set forth.

3. The Board hereby finds that the Lower Green River Formation and Wasatch Formation defined as that interval below the stratigraphic equivalent of 5,730 feet depth as shown in the Dual Induction Laterolog of Mountain Fuel Supply Company's Cedar Rim Well No. 2 located in the SW $\frac{1}{4}$ NE $\frac{1}{4}$, Section 20, Township 3 South, Range 6 West, USM, down to the base of the Wasatch Formation underlying the lands described below, is an underground reservoir containing oil, gas and associated hydrocarbons in a pool and constituting a common source of supply from which such substances may be produced.

4. By Order dated August 19, 1970 entered in Cause 140-1, the Board established governmental section drilling units for production of oil and gas and associated hydrocarbons from the Lower Green River and Wasatch Formations, a common source of supply underlying the following described lands situate in Duchesne County, Utah:

Township 3 South, Range 6 West, USM

Sections 7, 8, 9, 10, 15, 16,
17, 18, 19, 20, 21, 22, 27, 28,
29, 30, 31, 32, 33 and 34

Township 3 South, Range 7 West, USM

Sections 8, 9, 10, 11, 12, 13,
14, 15, 16, 17, 20, 21, 22, 23,
24, 25, 26, 27, 28, 29, 32, 33,
34, 35 and 36

and ordered that no more than one well should be drilled on any such drilling unit; that the permitted well for each drilling unit shall be located in the center of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of the governmental section comprising such drilling unit, with a tolerance of 220 feet in any direction; provided that an exception to said tolerance may be granted without a hearing where a topographical exception is deemed necessary. The Order was temporary for a period of one year and provided that the matter set forth therein should again be heard by the Board at its regularly scheduled meeting in August 1971.

5. By Order dated February 17, 1971 entered in Cause 140-4, the Board extended the Order issued in Cause 140-1 to include the following described land located in Duchesne County, Utah:

Township 2 South, Range 7 West, USM

Sections 31 through 35

Township 2 South, Range 8 West, USM

Sections 31 through 36

Township 3 South, Range 7 West, USM

Sections 2 through 7 and
Sections 18, 19, 30, 31

Township 3 South, Range 8 West, USM

All of Township

6. That results of tests taken and other evidence presented to the Board indicate that there is communication between the wells located on adjacent sections in the land described in paragraph 4 hereinabove and that one well will drain effectively the oil in one section.

7. That the drilling and production costs involved in the area described in paragraphs 4 and 5 hereinabove would render it uneconomical to drill more than one well to the section.

8. That the Order governing the land described in paragraph 4 should be made permanent.

9. That the Order to be issued herein should be of indefinite duration as it applies to the land described

in paragraph 5 hereinabove (Cause 140-4) establishing drilling units comprising each governmental section containing 640 acres, more or less, for the common source of supply underlying the Cedar Rim-Sink Draw area as hereinabove defined and prescribed.

10. That considering the terrain, the tolerance for the location of the well in each section should be ^{2200 ft}~~2200~~ feet from the center of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of each Section, provided that an exception to said tolerance should be granted without a hearing where a topographical exception is deemed necessary.

ORDER

IT IS THEREFORE ORDERED:

1. That drilling units are hereby established for the production of oil, gas and associated hydrocarbons for the Lower Green River and Wasatch Formations underlying the following described lands situate in Duchesne County, Utah:

(a) Township 3 South, Range 6 West, USM

Sections 7, 8, 9, 10, 15, 16,
17, 18, 19, 20, 21, 22, 27, 28,
29, 30, 31, 32, 33 and 34

Township 3 South, Range 7 West, USM

Sections 8, 9, 10, 11, 12, 13,
14, 15, 16, 17, 20, 21, 22, 23,
24, 25, 26, 27, 28, 29, 32, 33,
34, 35 and 36

(b) Township 2 South, Range 7 West, USM

Sections 31 through 35

Township 2 South, Range 8 West, USM

Sections 31 through 36

Township 3 South, Range 7 West, USM

Sections 2 through 7 and
Sections 18, 19, 30, 31

Township 3 South, Range 8 West, USM

All of Township

2. That each governmental section described above containing 640 acres, more or less, in the Cedar Rim-Sink Draw area shall constitute a drilling unit for the Lower Green River and Wasatch Formations underlying such sections.

3. That no more than one well shall be drilled on any such drilling unit for the production of oil, gas or associated hydrocarbons from the Lower Green River and Wasatch Formations.

4. That the permitted well for each drilling unit shall be located in the center of the SW $\frac{1}{4}$ NE $\frac{1}{4}$ of the governmental section comprising such drilling unit, with a tolerance of ~~200~~^{200 ft} feet in any direction, provided that an exception to said tolerance may be granted without a hearing where a topographical exception is deemed necessary.

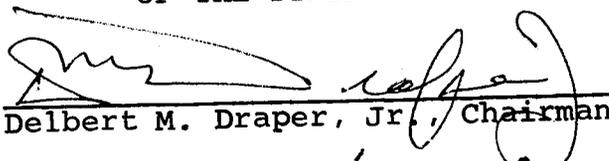
IT IS FURTHER ORDERED:

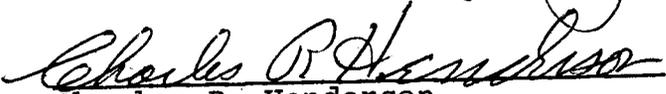
A. That as it applies to the land described in paragraph 1 (a) of this Order, the Order is hereby issued permanently.

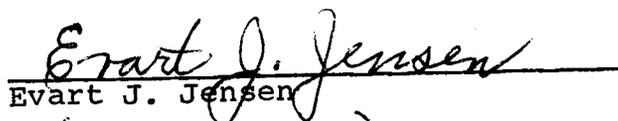
B. That as it applies to the lands described in paragraph 1 (b) hereinabove, this Order is hereby issued indefinitely and the Board on its motion or any interested party may file an application requesting a hearing to present new evidence concerning matters set forth herein. The Board retains continuing jurisdiction over such matters.

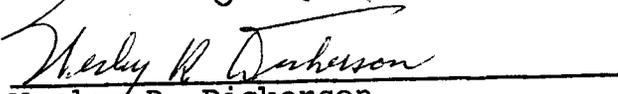
ENTERED AND EFFECTIVE this 11 day of August, 1971.

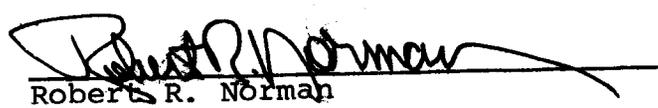
BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF UTAH


Delbert M. Draper, Jr., Chairman


Charles R. Henderson


Evert J. Jensen


Wesley R. Dickerson


Robert R. Norman