

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

---ooOoo---

IN THE MATTER OF THE PETITION OF :	ORDER
PHILLIPS PETROLEUM COMPANY FOR AN	
ORDER VACATING THE FEBRUARY 24, :	DOCKET NO. 84-033
1960 ORDER ISSUED IN CAUSE NO.	CAUSE NO. 152-4
17 ESTABLISHING EIGHTY-ACRE :	
DRILLING UNITS, INsofar AS SAID	
UNITS APPLY TO LANDS CONTAINED :	
WITHIN THE RATHERFORD UNIT,	
SAN JUAN COUNTY, UTAH	

---ooOoo---

This cause came on regularly for hearing before the Board of Oil, Gas and Mining on Thursday, May 24, 1984, at 10:00 a.m. in the Auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah, pursuant to the Notice of Hearing issued by the Board on April 23, 1984. The following Board members were present:

Gregory P. Williams, Chairman
Charles R. Henderson
E. Steele McIntyre
Constance K. Lundberg
John M. Garr
James W. Carter
Richard B. Larsen

Appearance was made by Phillip Wm. Lear of Van Cott, Bagley, Cornwall & McCarthy for and on behalf of the Petitioner, Phillips Petroleum Company.

NOW THEREFORE, the Board, having fully considered the testimony adduced and the exhibits received at said hearing and being fully advised in the premises, now makes and enters its Findings of Fact, Conclusions of Law, and Order as follows:

FINDINGS OF FACT

1. By Order dated February 24, 1960, in Cause No. 17, the then Utah Oil and Gas Conservation Commission established 80-acre stand-up drilling units in the east half and west half of each governmental quarter section on the "Desert Creek (Aneth) Formation" underlying lands in the Greater Aneth Area of San Juan County, Utah.

2. The interval spaced is now known to include the Lower Ismay and the Desert Creek Members of the Hermosa Formation of the Paradox Group.

3. Effective October 1, 1961, the United States Geological Survey and Bureau of Indian Affairs approved the formation of the Ratherford Unit, a federal Indian unit comprising Navajo tribal oil and gas leases embracing 14,931.76 acres within the Greater Aneth Area spaced by the Board's Order in Cause No. 17.

4. The Ratherford Unit was established as a secondary recovery unit around wells producing from the Lower Ismay and Desert Creek Members of the Hermosa Formation, the interval spaced in Cause No. 17.

5. Section 2(1) of the Unit Agreement expressly incorporated the 80-acre drilling unit pattern established by the Order in Cause No. 17 into the Unit Agreement as the plan of unit development best designed to efficiently and economically drain the common source of supply, protect correlative rights, and prevent waste.

6. On November 2, 1966, the unit boundaries contracted down around the existing participating area for the Lower Ismay and Desert Creek Members of the Hermosa Formation.

7. The lands currently embraced within the Ratherford Unit boundaries are situated in San Juan County, Utah, and are described as follows:

TOWNSHIP 41 SOUTH, RANGE 23 EAST, SLM

Section 1: S1/2
Section 2: E1/2SE1/4
Section 11: E1/2E1/2
Section 12: ALL
Section 13: ALL
Section 14: E1/2
Section 24: E1/2SE1/4, N1/2

TOWNSHIP 41 SOUTH, RANGE 24 EAST, SLM

Section 3: ALL
Section 4: E1/2, E1/2NW1/4, SW1/4
Section 5: SE1/4, W1/2SW1/4
Section 6: SW1/4
Section 7: ALL

Section 8: ALL
Section 9: ALL
Section 10: W1/2NE1/4, SE1/4, W1/2
Section 11: S1/2SW1/4
Section 14: W1/2
Section 15: ALL
Section 16: ALL
Section 17: ALL
Section 18: ALL
Section 19: ALL
Section 20: ALL
Section 21: ALL
Section 22: NW1/4, W1/2SW1/4
Section 28: NW1/4
Section 29: N1/2, SE1/4, E1/2SW1/4
Section 30: E1/2SE1/4, E1/2W1/2, NE1/4
Section 32: E1/2NE1/4

(Containing 12,960 acres, more or less)

8. Phillips Petroleum Company was originally designated and currently serves as the unit operator.

9. The 1983 Plan of Development approved by the Branch of Fluid Minerals, Bureau of Land Management in Albuquerque, New Mexico, the agency having jurisdiction over oil and gas drilling operations on the Navajo Indian Reservation provided for the drilling of ten infill wells to be drilled on a 40-acre drilling pattern.

10. The 1984 Plan of Unit Development proposed by the Petitioner, Phillips Petroleum Company, calls for the drilling of thirty-one infill wells on a similar 40-acre spacing pattern.

11. Petitioner has drilled several wells for production and water injection on 40-acre patterns as approved by the Branch of Fluid Minerals to expand its water flood program to optimize the ultimate recovery by improving the sweep pattern to recover incremental oil not otherwise recoverable.

CONCLUSIONS OF LAW

1. The Board of Oil, Gas and Mining has jurisdiction over all matters covered by the Petition and over all parties interested therein and has the power and authority to make and promulgate the Order hereinafter set forth.

2. Due and regular notice of the time, place, and purpose of this May 24, 1984 hearing was given to all interested parties in the form and manner and within the time required by law pursuant to the statutes and rules and regulations of the Board.

3. One well to each 80-acre drilling unit established by Order of the Utah Oil and Gas Conservation Commission in Cause No. 17 will not efficiently and economically drain the said pool or common source of supply from the unitized area in the Ratherford Unit.

4. The 80-acre drilling units in the Ratherford Unit no longer serve to prevent waste, avoid the drilling of unnecessary wells, or protect the correlative rights of interested parties.

5. The Petition of Phillips Petroleum Company for an Order of this Board vacating the 80-acre drilling units on the lands embraced within the Ratherford Unit as described in Finding of Fact 7 hereto should be granted.

ORDER

IT IS THEREFORE ORDERED that:

1. The Order of the Utah Oil and Gas Conservation Commission issued in Cause No. 17, dated February 24, 1960, is hereby vacated insofar as it applies to the following described lands in the Ratherford Unit area, San Juan County, Utah, to wit:

TOWNSHIP 41 SOUTH, RANGE 23 EAST, SLM

Section 1: S1/2
Section 2: E1/2SE1/4
Section 11: E1/2E1/2
Section 12: ALL
Section 13: ALL
Section 14: E1/2
Section 24: E1/2SE1/4, N1/2

TOWNSHIP 41 SOUTH, RANGE 24 EAST, SLM

Section 3: ALL
Section 4: E1/2, E1/2NW1/4, SW1/4
Section 5: SE1/4, W1/2SW1/4
Section 6: SW1/4
Section 7: ALL

Section 8: ALL
Section 9: ALL
Section 10: W1/2NE1/4, SE1/4, W1/2
Section 11: S1/2SW1/4
Section 14: W1/2
Section 15: ALL
Section 16: ALL
Section 17: ALL
Section 18: ALL
Section 19: ALL
Section 20: ALL
Section 21: ALL
Section 22: NW1/4, W1/2SW1/4
Section 28: NW1/4
Section 29: N1/2, SE1/4, E1/2SW1/4
Section 30: E1/2SE1/4, E1/2W1/2, NE1/4
Section 32: E1/2NE1/4

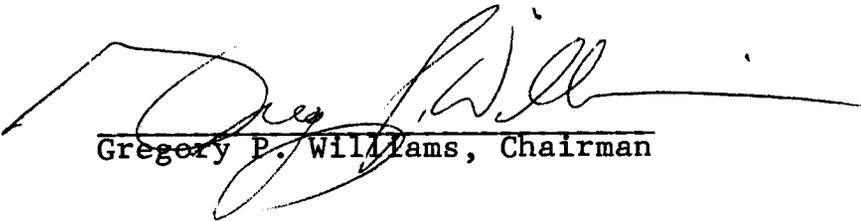
(Containing 12,960 acres, more or less)

2. Further development of the Ratherford Unit should proceed in concert with accepted oil and gas conservation principles and pursuant to Plans of Unit Development approved by the Branch of Fluid Minerals.

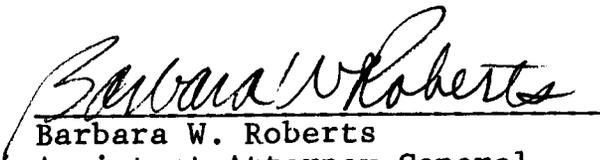
3. The Board retains continuing jurisdiction over all matters covered by this Order and over all parties affected thereby.

ENTERED this 22nd day of June, 1984, but effective as of May 24, 1984, with the appeal period running from May 24, 1984.

Board of Oil, Gas and Mining


Gregory P. Williams, Chairman

APPROVED AS TO FORM:


Barbara W. Roberts
Assistant Attorney General

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

---ooOoo---

IN THE MATTER OF THE PETITION	:	ORDER
OF PHILLIPS PETROLEUM COMPANY	:	
FOR AN ORDER VACATING THE	:	DOCKET NO. 84-033
FEBRUARY 24, 1960 ORDER ISSUED	:	CAUSE NO. 152-4
IN CAUSE NO. 17 ESTABLISHING	:	
EIGHT-ACRE DRILLING UNITS,	:	
INSOFAR AS SAID UNITS APPLY	:	
TO LANDS CONTAINED WITHIN THE	:	
RATHERFORD UNIT, SAN JUAN	:	
COUNTY, UTAH	:	

---ooOoo---

It is hereby ordered that the Petitioner's Motion for Appointment of Hearing Examiner in Docket No. 84-033, Cause No. 152-4 is denied.

DATED this 26th day of April, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Gregory P. Williams, Chairman