

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

\* \* \* \* \*

In the Matter of the Petition	)	
of JN Oil and Gas and	)	Docket No. 84-
Ambra Oil and Gas for an	)	
Exception to the Orders	)	Cause No. 173-6
Issued in Causes Nos. 173-1,	)	
and 173-2 to Permit the	)	<u>ORDER</u>
Drilling of Two Additional	)	
Wells for Production from	)	
the Wasatch Formation in	)	
Section 29, T. 8 S., R. 21 E.,	)	
S.L.M.	)	

\* \* \* \* \*

Based upon the Petition of counsel and good cause appearing therefor,

IT IS HEREBY ORDERED, that Petitioners may serve by registered mail, as provided in Rule 4(f)(2) of the Utah Rules of Civil Procedure, the Petition and Notice in the above-captioned matter upon the persons and entities named in Exhibit A of the Petition for Service by Registered Mail.

DATED this 1<sup>st</sup> day of March, 1984.

FOR THE BOARD:



BEFORE THE BOARD OF OIL, GAS & MINING

DEPARTMENT OF NATURAL RESOURCES

IN AND FOR THE STATE OF UTAH

\* \* \* \* \*

In the Matter of the Petition of )	
JN Oil & Gas and Ambra Oil & Gas )	Docket No. 84-020
For an Exception to the Orders )	
Issued in Causes Nos. 173-1 and )	Cause No. 173-6
173-2 to Permit the Drilling of )	
Two Additional Wells for )	ORDER
Production from the Wasatch )	
Formation in Section 29, T. 8 S., )	
R. 21 E., S.L.M. )	

\* \* \* \* \*

Pursuant to the Petition of JN Oil & Gas and Ambra Oil & Gas, this cause came on for consideration before the Board of Oil, Gas & Mining, Department of Natural Resources, in and for the State of Utah, on Friday, March 23, 1984, in the auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah.

The following Board members were present and participated in the hearing:

Gregory P. Williams, Chairman  
James W. Carter  
John M. Garr  
Charles R. Henderson  
Richard B. Larsen

Also present and participating in the hearing were

Barbara W. Roberts, Assistant Attorney General  
Ronald J. Firth, Associate Director, Oil and Gas,  
Division of Oil, Gas & Mining  
Dr. Dianne R. Nielsen, Director,  
Division of Oil, Gas & Mining  
Ray Kern, Utah Geological and Mineral Survey

JN Oil & Gas and Ambra Oil & Gas were represented by Patrick J. Garver, Esq., and Susan R. Poulter, Esq. Gary K. Nelson, Vice President, Land, Gay Preator, petroleum geologist,

and Don Rimmer, petroleum engineer, all of JN Oil & Gas, testified on behalf of JN Oil & Gas and Ambra Oil & Gas. A letter from Belco Development Corporation was introduced in support of the Petition. No other appearances were made and no one objected to the granting of the Petition.

Now, therefore, the Board having fully considered the Petition of JN Oil & Gas and Ambra Oil & Gas, and the testimony and the evidence received at said hearing, and from the records on file herein, makes the following Findings of Fact and Order:

#### FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all parties required to be so notified 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 all matters covered by said notice and over all parties interested therein and has the power and authority to make and promulgate the Order hereinafter set forth.

3. The area that is the subject of this Order is described as Section 29, T. 8 S., R. 21 E., S.L.M. ("Section 29").

4. The Board, in the Order issued in Cause No. 173-1, and made permanent in the Order in Cause No. 173-2, established 320-acre horizontal drilling units for the production of gas and associated hydrocarbons from the Wasatch-Mesa Verde formations underlying certain lands in T. 8 S., R. 20 E., T. 9 S., R. 20 E., T. 8 S., R. 21 E., T. 9 S., R. 21 E., T. 8 S., R. 22 E. and T. 9 S., R. 22 E., S.L.M., which includes the area that is the subject of this Order.

5. The Wasatch formation underlying Section 29 consists of lenticular, disconnected sands, and Section 29 is underlain by a zone of the spaced pool of gas and associated hydrocarbons that is distinct geologically from the rest of the pool.

6. Due to the geologic character of the zone of the spaced pool of gas and associated hydrocarbons underlying Section 29, one well will not economically and efficiently drain 320 acres within the Wasatch formation underlying Section 29.

7. Due to the geologic character of the zone of the spaced pool of gas and associated hydrocarbons underlying Section 29, one well will economically and efficiently drain 160 acres within the Wasatch formation. A 160-acre drilling unit is no larger than the maximum area that can be efficiently and economically drained by one well.

8. Drilling units of 160 acres, each governmental quarter-section comprising one drilling unit, should be established for Section 29 to prevent the waste of gas and associated hydrocarbons, to avoid the drilling of unnecessary wells and to protect the correlative rights of all parties holding interests in the area.

9. The permitted well locations should be the center of the quarter section, with a tolerance of 660 feet in any direction and no less than 1320 feet between wells producing gas and associated hydrocarbons from the Wasatch formation. Exception locations should be granted administratively for topographical reasons.

10. For the purpose of this Order, the Wasatch formation should be defined as the stratigraphic equivalent of that interval between 5960 feet and 7580 feet in the Belco North Duck Creek 60-29 well located in the southeast quarter of Section 29, T. 8 S., R. 21 E., S.L.M.

11. The mineral ownerships within the existing 320-acre drilling units in Section 29 are uniform and diversity of mineral ownership does not present a barrier to downspacing within Section 29.

#### ORDER

IT IS THEREFORE ORDERED:

1. The Orders in Causes 173-1 and 173-2 are hereby vacated with respect to Section 29, T. 8 S., R. 21 E., S.L.M.

2. Drilling units of 160 acres, each governmental quarter section comprising one drilling unit, are hereby established for the development and production of gas and associated hydrocarbons from the Wasatch formation underlying Section 29.

3. The location for each permitted well shall be the center of the quarter section with a tolerance of 660 feet in any direction and no less than 1320 feet between wells producing gas and associated hydrocarbons from the Wasatch formation. Exception locations shall be granted administratively for topographical reasons.

4. For the purpose of this Order, the Wasatch formation is defined as the stratigraphic equivalent of the interval between 5960 feet and 7580 feet in the Belco North Duck Creek 60-29 well located in the southeast quarter of Section 29, T. 8 S., R. 21 E., S.L.M.

ENTERED THIS 1<sup>st</sup> day of May, 1984.

BOARD OF OIL, GAS & MINING

By:

  
GREGORY P. WILLIAMS, Chairman

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