

CAUSE NO. 179-5 / DOCKET NO. 93-008

IN THE MATTER OF THE REQUEST  
FOR AGENCY ACTION OF QUINTANA  
PETROLEUM CORPORATION FOR 320-  
ACRE STAND-UP DRILLING AND  
SPACING UNITS FOR THE WASATCH  
FORMATION IN CERTAIN LANDS  
WITHIN TOWNSHIPS 8 AND 9  
SOUTH, RANGE 24 EAST, SLM,  
UINTAH COUNTY, UTAH.

ORDERS

<u>ORDER #</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	3/24/93	FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ORDER

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April 9, 1993

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

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In The Matter Of The Request For	)	
Agency Action Of Quintana Petroleum	)	FINDINGS OF FACT AND
Corporation for 320-Acre Stand-Up	)	CONCLUSIONS OF LAW AND
Drilling And Spacing Units For The	)	ORDER
Wasatch Formation In Certain Lands	)	
Within Townships 8 And 9 South, Range	)	Docket No. 93-008
24 East, SLM, Uintah County, Utah.	)	Cause No. 179-5

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Pursuant to the Petition of Quintana Petroleum Corporation ("Petitioner"), this cause came before the Board of Oil, Gas and Mining ("Board"), Department of Natural Resources, on Wednesday, March 24, 1993, commencing at the hour of 10:00 a.m. in the boardroom of the Division of Oil, Gas and Mining ("Division"), 3 Triad Center, Suite 520, 355 West North Temple, Salt Lake City, Utah.

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

James W. Carter, Chairman  
Raymond Murray  
Jay Christensen  
Kent Stringham  
Judy F. Lever  
Dave D. Lauriski  
Thomas Faddies

The Board was represented by Thomas A. Mitchell, Esq. and the Division was represented by William R. Richards, both Assistant Attorneys General for the State of Utah.

Ronald J. Firth, Associate Director, Oil and Gas, for the Division participated in the hearing. Robert A. Hendricks, Chief, Branch of Fluid Minerals, Utah State Office, Bureau of Land Management also participated in the hearing.

Thomas W. Bachtell, Esq. of Pruitt, Gushee & Bachtell represented the Petitioner, and appearing as witnesses for the Petitioner were Charles H. Kerr, CPL, Land Manager, Marc Eckels, Geologist, and Dan Lindsey, Petroleum Engineer.

William C. Gilmore participated in the hearing for Protestant, Gilmore Oil & Gas.

NOW THEREFORE, the Board, having considered the testimony of the witnesses and the exhibits presented at said hearing and being fully advised in the premises, now makes and enter the following:

#### **FINDINGS OF FACT**

1. Due and regular notice of the time, place and purpose of the March 24, 1993 hearing was given to all interested parties as required by law and the rules and regulations of the Board.

2. Pursuant to Utah Code Ann. § 40-6-6 (1953, as amended), the Board has jurisdiction over this matter and over all of the parties interested therein, and to make and promulgate the Order hereinafter set forth.

3. The Petitioner operates the Little Federal Bonanza #1-4 well located in the SE¼ of Section 4, Township 9 South, Range 24 East, SLM. This well is completed in the Wasatch Formation, and is currently shut-in awaiting a more favorable gas market.

4. The Wasatch Formation is a common source of supply of gas underlying the following described tract of land ("Subject Lands") located in the Bonanza Field of Uintah County, Utah:

Township 8 South, Range 24 East, SLM

Section 21: E½  
Section 22: All  
Section 23: W½  
Section 26: W½  
Section 27: All  
Section 28: E½  
Section 33: E½  
Section 34: All  
Section 35: W½

Township 9 South, Range 24 East, SLM

Section 2: W½  
Section 3: All  
Section 4: E½

5. Due to the continuity and thickness of the specific sands encountered in the Wasatch Formation underlying the Subject Lands, and in the interests of conservation and prevention of waste, for the protection of correlative rights of the various owners of oil and gas, to secure the maximum ultimate recovery of oil and gas, and to prevent the drilling of unnecessary wells, the Board should enter an order establishing stand-up 320-acre drilling and spacing units running in a North-South direction (E $\frac{1}{2}$  and W $\frac{1}{2}$  of each section), for the development and the production of oil and gas from the Wasatch Formation underlying the Subject Lands, providing that no more than one well shall be drilled and produced from said Wasatch Formation on any such unit.

6. Consistent with the location of the Little Federal Bonanza #1-4 well and for the orderly development of the Wasatch Formation underlying the Subject Lands, no well should be located closer than 660 feet from the boundary of the drilling and spacing unit. Further, the wells should be located within the SE $\frac{1}{4}$  and NW $\frac{1}{4}$  of each section comprising, or partially comprising, the Subject Lands, unless an administrative exception for well location is necessary or desirable based upon geological, geographical or other permissible factors pursuant to Utah Administrative Code § R649-3-3 (1993) as may be amended or modified from time to time.

7. The vote of the Board to approve the Petition as submitted was unanimous.

## CONCLUSIONS OF LAW

1. The Subject lands overlay a common source of supply of oil and gas in the Wasatch Formation.
2. The maximum area within the Subject Lands that can be efficiently and economically drained by one well producing from the Wasatch Formation is 320-acres.
3. The establishment of 320-acre (more or less accounting for irregular sections) drilling and spacing units for production of oil and gas from the Wasatch Formation underlying the Subject Lands will promote conservation and prevent waste, protect correlative rights, prevent the drilling of unnecessary wells, and secure the maximum ultimate recovery of oil and gas.
4. The 320-acre drilling and spacing units should be the E $\frac{1}{2}$  and W $\frac{1}{2}$  (or the equivalent area accounting for irregular sections) of the governmental sections comprising the Subject lands.
5. No well producing from the Wasatch Formation within the Subject Lands should be located closer than 660 feet from the boundary of the drilling and spacing units established hereby, and each well should be located within the SE $\frac{1}{4}$  and the NW $\frac{1}{4}$  of each section comprising, or partially comprising, said lands unless an administrative

exception to such well location is required for geological, geographical or other permissible factors.

### **ORDER**

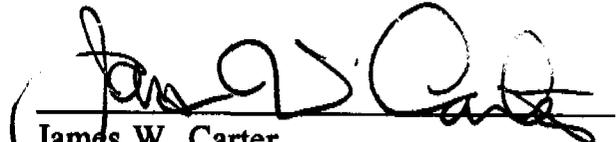
Based upon the Findings of Fact and Conclusions of Law set forth above, the Board hereby ORDERS that 320-acre stand-up drilling and spacing units (being the E½ and W½ of the governmental sections, or the equivalent area where irregular sections are involved) for production of oil and gas from the Wasatch Formation underlying the Subject Lands are hereby established. No more than one well shall be drilled and produced from the Wasatch Formation within each unit area. No well shall be located closer than 660 feet from the boundary of the drilling and spacing unit, and each well shall be located within the SE¼ and the NW¼ of each section comprising, or partially comprising, said lands, unless an administrative exception to such well location is required for geological, geographical or other permissible factors pursuant to Utah Administrative Code § R649-3-3 (1993) as may be amended or modified from time to time.

The Board retains exclusive and continuing jurisdiction over all matters covered by this Order and over all parties affected thereby, and particularly reserves exclusive and

continuing jurisdiction to make further orders as may be appropriate and which are authorized by statute and regulation.

ISSUED AND SIGNED this 24<sup>th</sup> day of March, 1993.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

  
James W. Carter  
Chairman

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT AND CONCLUSIONS OF LAW AND ORDER in Docket No. 93-008, Cause No. 179-5 to be mailed by certified mail, postage prepaid, on the 8<sup>th</sup> day of April, 1993, to the following:

✓ Thomas W. Bachtell  
Robert G. Pruitt, Jr.  
Pruitt, Gushee & Bachtell  
1850 Beneficial Life Tower  
Salt Lake City, Utah 84111

✓ Quintana Petroleum Corporation  
Attn: Charles H. Kerr, District Landman  
601 Jefferson  
Houston, Texas 77002

Mailed by first class mail, postage prepaid, on the 8<sup>th</sup> of April, 1993, to the following:

American Gilsonite Co.  
136 East South Temple  
Suite 1460  
Salt Lake City, UT 84134

Andover partners  
1001 Fannin, Ste 2000  
Houston, TX 77002-6709

JoAnn R. Armstrong  
907 Walker Bank Bldg.  
Salt Lake City, UT 84111

William M. Berryman  
202 Spring St  
P.O. Box 542  
Morrison, CO 80465

Boatmen's Trust Co.  
Surviving Trustee U/W/O  
Marion C. Early, Deceased  
P.O. Box 14633  
St. Louis, MO 63178

Sam T. Boltz, Jr.  
16 Ivy Lane  
Denver, CO 80220

Bureau of Land Management  
Vernal District Office  
170 South 500 East  
Vernal, UT 84078

Bureau of Land Management  
Utah State Office  
Branch of Fluid Minerals  
324 South State St.  
Salt Lake City, UT 84111-2302

Chandler & Associates, Inc.  
1850 Anaconda Tower  
555 17th Street  
Denver, CO 80202

Chevron USA Inc.  
P.O. Box 1635  
Houston, Texas 77251

Chorney Oil Company  
555 17th St., Ste. 1000  
Denver, CO 80202

Estate of Raymond Chorney  
555 17th St., Ste. 1000  
Denver, CO 80202

Cochrane Resources, Inc.  
P.O. Box 1656  
Roosevelt, UT 84066

Ted Collins  
600 W. Illinois, Ste. 701  
Midland, TX 79701

Ted Collins, Jr.  
600 W. Illinois, Ste. 701  
Midland, TX 79701

Conoco, Inc.  
Box 1267  
Ponca City, OK 74603

Eddy Refining Company  
P.O. Box 185  
Houston, TX 77001

El Norte Resources, Inc.  
528 Fair Foundation Bldg.  
Tyler, TX 75702

Enron Oil & Gas Company  
1801 California St., Ste. 4800  
Denver, CO 80202-2648

EP Operating Limited  
Partnership  
Box 2649  
Dallas, TX 75221

EPS Resources Co.  
3281 Cherryridge Rd  
Englewood, CO 80110-6009

Equitable Resources Energy Co.  
P.O. Box 21017  
Billings, MT 59104

Exxon Corporation  
Box 2305  
Houston, TX 77001

Larry R. Gaston  
6191 S. Niagara Way  
Englewood, CO 80110

Gilmore Oil & Gas  
110 N. Marienfeld  
Suite 155  
Midland, TX 79701

William C. Gilmore  
110 N. Marienfeld  
Suite 155  
Midland, TX 79701

Global Natural Resources  
P.O. Box 4682  
Houston, TX 77210

John H. Hill  
17400 Dallas Pkwy  
Dallas, TX 75287

Hiko Bell Mining & Oil Co.  
P.O. Box 1845  
Vernal, UT 84078

Edward E. Lafay  
c/o Davis Oil Company  
410 17th St., Ste. 1400  
Denver, CO 80202

Allan R. Larsen  
600 17th St., Ste. 1400  
South Tower  
Denver, CO 80202

Leasex #1 Partnership  
900 North Federal Highway  
#210  
Boca Raton, FL 33432

Low Petroleum Company  
Five Post Oak Park, Ste. 1010  
Houston, TX 77027-3414

Mabelle, Inc.  
P.O. Box 3595  
Midland, TX 79702

Marathon Oil Company  
Box 3128  
Houston, TX 77253

Marvin J. Masset and  
Barbara A. Masset  
P.O. Box 331  
Bismark, ND 58502

Peter Masset and  
Judy Masset  
P.O. Box 331  
Bismark, ND 58502

G. W. McDonald  
El Norte Resources, Inc.  
528 Fair Foundation Bldg.  
Tyler, TX 75702

John H. Melby Trust  
John H. Melby, Trustee  
c/o 410 17th St., Ste. 1400  
Denver, CO 80202

Paul Messenger & Co.  
c/o Davis Oil Company  
410 17th St., Ste. 1400  
Denver, CO 80202

Minerals Management Service  
P.O. Box 5810  
Denver, CO 80217

The Northern Trust Company and  
Robert H. Taylor as Co-  
Trustees Under Agreement dated  
Nov. 3, 1988 with Mary Fowler  
Laidlaw  
P.O. Box 226270  
Dallas, TX 75222-6270

Eugene A. O'Brien  
5461 West Kent Place  
Denver, CO 80235

Charles Parker  
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Houston, TX 77007

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3312 E. Costilla Ave.  
Littleton, CO 80122

PG&E Resources Co.  
6688 N. Central Expressway  
Ste. 1000  
Dallas, TX 75206-3922

Harry Phillips, Jr.  
815 Walker, Ste. 1349  
Houston, TX 77002

Prodco Inc.  
518 17th St., Ste. 1070  
Denver, CO 80202

O.L. Rickard  
12935 Piney Lake Rd.  
Parker, CO 80134

Estate of Corbin J. Robertson  
P.O. Box 3331  
Houston, TX 77253

Robert W. Scott  
11386 W. 26th Place  
Lakewood, CO 80215

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c/o Herbert E Ware Jr  
303 W Wall St Ste 2200  
Midland, TX 79701-5115

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P.O. Box 176  
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1801 Broadway  
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211 W. 9th St.  
Cheyenne, WY 82001

D.J. Stone  
Zach K. Brinkerhoft  
Zach K. Brinkerhoft, Jr.  
870 Denver Club Bldg.  
Denver, CO

Robert H. Taylor and  
Robert Fowler Taylor  
Co-Trustees under the  
Georgiana F. Taylor Revocable  
Trust No. 401468300  
2118 Raleigh Court  
Mequon, WI 53092

Thermo Fuels, Inc.  
5840 Dahlia St.  
Commerce City, CO 80022

Utah Division of State  
Lands & Forestry  
3 Triad Center, Ste. 400  
355 West North Temple  
Salt Lake City, UT 84180-1204

Valley Operating Inc.  
745 Gilpin St.  
Denver, CO 80218

George Vrame  
9136 South Kedvale  
Oaklawn, IL 60453

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303 W Wall St Ste 2200  
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Washington University  
c/o Boatmen's Trust Co.  
P.O. Box 14633  
St. Louis, MO 63178

Wildhorse Oil & Gas  
363 East Main  
Vernal, Utah 84078

Wold Oil & Gas Co.  
Box 114  
Casper, WY 82602

Ziegler Chemical & Mining  
Corp.  
100 Jericho Quadrangle  
Jericho, NY 11753

  
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