

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
in and for the STATE OF UTAH

IN THE MATTER OF THE APPLICATION)
OF AMOCO PRODUCTION COMPANY FOR) FINDINGS AND ORDER
AN ORDER EXTENDING THE ORDER)
ISSUED IN CAUSE NO. 183-2, TO) CAUSE NO. 183-7
INCLUDE ADDITIONAL ACREAGE)

The Board of Oil, Gas and Mining, State of Utah, conducted a hearing on Thursday, April 30, 1981, at 9:00 a.m., in the Airport Holiday Inn - Executive Conference Room, 1659 West North Temple, Salt Lake City, Utah, in the above entitled matter, at which time the Board entered an Order extending the Order issued in Cause No. 183-2, to include additional acreage.

At the time this Order was entered, there was a question as to whether the Board was properly constituted. Therefore, a hearing was held on September 24, 1981 to allow a newly constituted Board to reconsider this application.

NOW, THEREFORE, the Board having considered this matter, now makes and enters the following:

FINDINGS

1. Due and regular notice of the date, place and purpose of the hearing was given to all interested parties as required by law and the rules and regulations.
2. That no objection to the Order adopted by the Board on April 30, 1981 was made prior to or on the date scheduled for the re-hearing of this matter.

ORDER

IT IS THEREFORE ORDERED:

That the Order issued in this Cause on April 30, 1981 is hereby re-affirmed.

DATED this 24th day of September, 1981.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman

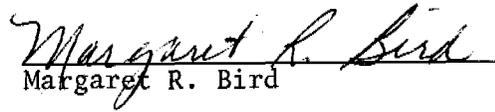

Herm Olsen


John L. Bell


E. Steele McIntyre

Edward T. Beck


Robert R. Norman


Margaret R. Bird

BEFORE THE BOARD OF OIL, GAS, AND MINING
DEPARTMENT OF NATURAL RESOURCES
in and for the STATE OF UTAH

IN THE MATTER OF ADOPTING A)
PERMANENT ORDER IN CAUSE NO. 183-2)
FOR THE ANSCHUTZ RANCH EAST FIELD,) CAUSE NO. 183-6
SUMMIT COUNTY, UTAH)

and

COMBINED ORDER

IN THE MATTER OF THE APPLICATION OF)
AMOCO PRODUCTION COMPANY FOR AN)
ORDER EXTENDING THE ORDER ISSUED) CAUSE NO. 183-7
IN CAUSE NO. 183-2, TO INCLUDE)
ADDITIONAL ACREAGE)

The above-entitled causes came on for hearing before the Utah Board of Oil, Gas and Mining at 9:00 A.M. on Thursday, April 30, 1981, in the Executive Conference Room of the Airport Holiday Inn, 1659 West North Temple, Salt Lake City, Utah. Amoco Production Company moved that the two causes be combined for the purpose of this hearing and the Board approved that motion. The following Board members were present:

Charles P. Henderson, Chairman
E. Steele McIntyre
John L. Bell
Margaret R. Bird
Edward T. Beck
Robert Norman
Thadis W. Box

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OIL, GAS AND MINING

Appearances were made as follows:

For Amoco Production Company:

Gary L. Paulson, Esq.
Denver, Colorado

Vinton Pierce
Denver, Colorado

Amoco Production Company introduced testimony by Mr. Vinton Pierce and submitted an exhibit, and both the testimony and the accompanying exhibit reviewed developments in the Anschutz Ranch East Field subsequent to the entry of the Temporary Order in Cause 183-2 on April 23, 1980. The testimony and exhibit were also introduced in support of the application of Amoco Production Company in Cause 183-7 for an order extending spacing limitations and well

location restrictions, entered by the Temporary Order in Cause 183-2, to lands contiguous to the original Anschutz Ranch East Field. Several questions were addressed to Mr. Pierce by members of the Board and its staff.

NOW THEREFORE, the Board having considered the testimony presented, the exhibit introduced and the statements made, and being fully advised in the premises, now makes and enters the following:

FINDINGS AND CONCLUSIONS

1. That due and regular notice of the time, place and purpose of the hearings in Cause 183-6 and Cause 183-7 was given to all interested parties as required by law and the Rules and Regulations of the Board.

2. That the Board has jurisdiction over the matters covered by Cause No. 183-6 (annual review of Temporary Order entered in Cause 183-2) and by the application of Amoco Production Company in Cause 183-7, and over the parties therein; and that the Board further has jurisdiction to make and promulgate the Order hereinafter set forth.

3. That the application of Amoco Production Company in Cause No. 183-7 complies in all respects with the Rules and Regulations of the Board.

4. That the provisions of the Temporary Order entered by the Board in Cause No. 183-2 on April 23, 1980, established 160-acre drilling units for the production of oil, gas and associated hydrocarbons from the Nugget formation underlying certain lands in the Anschutz Ranch East Field, Summit County, Utah, to wit:

<u>Township 4 North, Range 8 East, SLBM</u>			
Section 16	ALL	Section 29	ALL
Section 17	ALL	Section 30	ALL
Section 19	E/2	Section 31	ALL
Section 20	ALL	Section 32	ALL
Section 21	ALL	Section 33	ALL
Section 28	ALL		

Hereinafter variously referred to as the "Originally Spaced Area."

5. The Temporary Order in Cause 183-2 further established

certain undersized and oversized drilling units within the Originally Spaced Area, and the description of those undersized and oversized drilling units in paragraph two of said Temporary Order is incorporated herein by reference as though set forth in full.

6. That the provisions of the aforementioned Temporary Order further established certain restrictions upon the location of wells within the Originally Spaced Area as follows:

a. That each well drilled shall be located on the surface in such a manner that, at the Nugget producing intervals, the well will be no closer than 500 feet from the northern and western boundaries of the NW quarter of the drilling unit or will be no closer than 500 feet from the southern and eastern boundaries of the SE quarter of the drilling unit.

b. That wells to be drilled adjacent to the Wyoming state line will not be completed at a bottom hole location closer than four hundred and sixty feet (460') to said state line.

7. That the aforementioned Temporary Order was, by its terms, effective for a period of one year and subject to review by the Board in April, 1981.

8. That the following developments have occurred in the Anschutz Ranch East Field subsequent to the entry of the Temporary Order in Cause 183-2:

Wells currently producing from the Nugget formation:

Amoco Bountiful Livestock No. 1

Amoco Champlin 458 F #1

Amoco Champlin 458 D #1

Anschutz 8-20

Well presently completing in the Nugget formation:

Anschutz 12-26

Wells presently being drilled into Nugget formation:

Nine, as indicated on Applicant's Exhibit No. 1

Wells proposed and identified:

Fourteen, as indicated on Applicant's Exhibit No. 1

9. That developmental drilling and seismic and geologic studies indicate that the 160-acre spacing and the well location restrictions, established in the Originally Spaced Area by Temporary Order No. 183-2 as hereinabove detailed, are still appropriate and should be made permanent.

10. That the application of Amoco Production Company in Cause No. 183-7 is for an Order extending the 160-acre spacing and the well location restrictions, imposed in the Originally Spaced Area for production from the Nugget formation, to include additional contiguous lands in Summit County, Utah, to wit:

Township 4 North, Range 8 East
Section 8: All Section 18: E/2
Section 9: All Section 19: W/2

Township 4 North, Range 7 East
Section 24: All Section 35: E/2
Section 25: All Section 36: All

Township 3 North, Range 7 East
Section 1: All Section 13: All
Section 2: All Section 14: All
Section 11: All Section 15: E/2
Section 12: All

Township 3 North, Range 8 East
Section 4: All Section 8: All
Section 5: All Section 9: All
Section 6: All Section 18: All
Section 7: All

Hereinafter variously referred to as the "Extended Area".

11. That Amoco Production Company is the Owner of certain working interests and operating rights in and to various oil and gas leases in certain portions of the Extended Area and is a proper Applicant herein.

12. That wells drilled within the Extended Area into the Nugget formation will encounter gas contained in the same common source of supply underlying the Originally Spaced Area.

13. That the lands within the Extended Area are included within those lands to be subject to the planned unitization of the Anschutz Ranch East Field.

14. That each drilling unit in the Extended Area should be a quarter section, or lot or lots or portion thereof equivalent thereto, as established by governmental survey, excepting certain oversized and undersized drilling units which should be established as follows:

Oversized Drilling units;

Lots 1, 2 and 3 and SW/4 N/2 of Sec. 4 (161.13 acres)
Lots 4 and 5 and W/2 S/2 of Sec. 4 (160.66 acres)
Lots 1 and 2 and W/2 N/2 of Sec. 9 (161.27 acres)
Lots 3 and 4 and W/2 S/2 of Sec. 9 (162.05 acres)

Undersized Drilling Units:

Lots 1 and 2 and W/2 N/2 of Sec. 9 (141.37 acres)
Lots 3 and 4 and W/2 S/2 of Sec. 9 (141.79 acres)

15. That each well drilled, in the future, in the Extended Area should be located on the surface in such a manner that, at the Nugget producing intervals, the well will be no closer than 500 feet from the northern and western boundaries of the NW quarter of the drilling unit or will be no closer than 500 feet from the southern and eastern boundaries of the SE quarter of the drilling unit.

16. That wells to be drilled in the Extended Area adjacent to the Wyoming State Line should not be completed at a bottom hole location closer than four hundred and sixty feet (460') to said state line.

17. That a drilling unit of approximately 160 acres is neither smaller nor greater than the maximum area that can be efficiently and economically drained by one well producing from the Nugget Formation, both in the Originally Spaced Area and the Extended Area.

18. That formation of permanent drilling units of approximately 160 acres, as hereinabove detailed, in the Originally Spaced Area and the Extended Area would avoid the drilling of unnecessary wells, would prevent waste of oil, gas and associated hydrocarbons and would protect correlative rights.

19. That the Orders entered herein with respect to spacing and well location restrictions in the Originally Spaced Area and

the Extended Area should be made permanent.

ORDERS

IT IS THEREFORE ORDERED:

To prevent waste of gas, oil and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling and spacing units and restrict well locations so as to accomplish these purposes, the Board orders and decrees as follows:

1. That the temporary drilling units created by Temporary Order in Cause 183-2, including the undersized and oversized units described in said Order, which were established for the production of oil, gas and associated hydrocarbons from the Nugget formation underlying certain lands situated in Summit County, Utah, are hereby made permanent; and the lands spaced thereby are described more particularly as follows:

<u>Township 4 North, Range 8 East, SLBM</u>			
Section 16	ALL	Section 29	ALL
Section 17	ALL	Section 30	ALL
Section 19	E/2	Section 31	ALL
Section 20	ALL	Section 32	ALL
Section 21	ALL	Section 33	ALL
Section 28	ALL		

Hereinafter variously referred to as the Originally Spaced Area.

2. That said spacing for the Originally Spaced Area is extended to, and permanent drilling units are further established for, the production of oil, gas and associated hydrocarbons from the Nugget formation underlying the following lands situated in Summit County, Utah, and contiguous to the Originally Spaced Area, to wit:

<u>Township 4 North, Range 8 East</u>			
Section 8:	All	Section 18:	E/2
Section 9:	All	Section 19:	W/2

<u>Township 4 North, Range 7 East</u>			
Section 24:	All	Section 35:	E/2
Section 25:	All	Section 36:	All

<u>Township 3 North, Range 7 East</u>			
Section 1:	All	Section 13:	All
Section 2:	All	Section 14:	All
Section 11:	All	Section 15:	E/2
Section 12:	All		

<u>Township 3 North, Range 8 East</u>			
Section 4:	All	Section 8:	All
Section 5:	All	Section 9:	All
Section 6:	All	Section 18:	All
Section 7:	All		

Hereinafter variously referred to as the "Extended Area".

3. That each drilling unit in the Originally Spaced Area and the Extended Area shall be a quarter section, or lot or lots or portion thereof equivalent thereto, as established by governmental survey excepting certain oversized and undersized drilling units in the Originally Spaced Area (and the description of those undersized and oversized units contained in paragraph two of the Temporary Order in Cause No. 183-2 is incorporated herein as though set forth in full), and also within the Extended Area, and the oversized and undersized drilling units for the Extended Area shall be established as follows:

Oversized Drilling Units:

Lots 1, 2 and 3 and SW/4 N/2 of Sec. 4 (161.13 acres)
Lots 4 and 5 and W/2 S/2 of Sec. 4 (160.66 acres)
Lots 1 and 2 and W/2 N/2 of Sec. 9 (161.27 acres)
Lots 3 and 4 and W/2 S/2 of Sec. 9 (162.05 acres)

Undersized Drilling Units:

Lots 1 and 2 and W/2 N/2 of Sec. 9 (141.37 acres)
Lots 3 and 4 and W/2 S/2 of Sec. 9 (141.79 acres)

4. That each well drilled, in the future, in the Originally Spaced Area and the Extended Area shall be located on the surface in such a manner that, at the Nugget producing intervals, the well shall be no closer than 500 feet from the northern and western boundaries of the NW quarter of the drilling unit nor will such well be closer than 500 feet to the southern and eastern boundaries of the SE quarter of the drilling unit.

5. That wells to be drilled in the Originally Spaced Area and the Extended Area and adjacent to the Wyoming state line will not be completed at a bottom hole location closer than four hundred and sixty feet (460') to said state line.

6. That the Orders entered herein shall be considered permanent, without the necessity of further review by the Board.

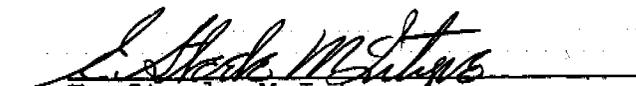
7. That the Board retains continuing jurisdiction of all matters covered by this Order and particularly retains continuing jurisdiction to make further orders as appropriate and authorized

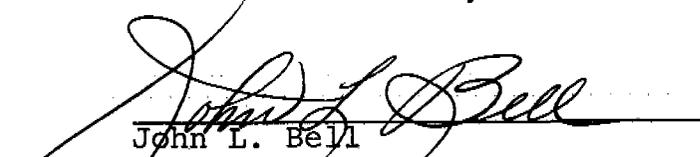
by statute and applicable regulations.

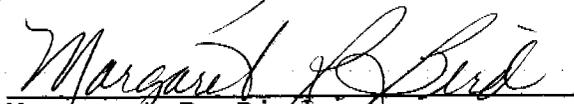
DATED this 30th day of April, 1981.

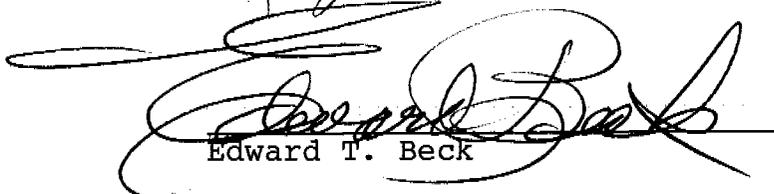
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