

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

IN THE MATTER OF THE APPLICATION OF) AMENDED
AMOCO PRODUCTION COMPANY FOR AN) ORDER
ORDER ESTABLISHING APPROXIMATELY)
727 ACRE GAS DRILLING UNITS FOR) Cause No. 189-1
CERTAIN LANDS IN SUMMIT COUNTY, UTAH)

Pursuant to the application of Amoco Production Company, this cause came on for hearing before the Board of Oil, Gas, and Mining, State of Utah, at 9:00 a.m., on Wednesday, November 19, 1980, in the Wildlife Resources Auditorium, 1596 West North Temple, Salt Lake City, Utah.

The following Board Members were present:

Maxilian A. Farberman

Edward T. Beck

E. Steele McIntyre

John L. Bell

C. Ray Juvelin

Appearances were made as follows:

For the Applicant: Gordon D. Ryan, Esq.
Denver, Colorado

Vinton Pierce
Denver, Colorado

For the Anschutz Corp., Inc.: Ted Stockman, Esq.
Denver, Colorado

Paul Denny
John Haley
Denver, Colorado

Applicant introduced testimony and exhibits in support of its application and questions were addressed to applicant's witnesses and statements were submitted by others present.

NOW, THEREFORE, the Board having considered questions and answers, statements presented and the testimony adduced and exhibits recieved at said hearing 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 hearing 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 matter covered by said application and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. That the application of Amoco Production Company complies in all respects with the Rules and Regulations of the Board.

4. That said application is for an Order establishing approximately 727 acre gas drilling units for the Phosphoria formation in the following described area:

Township 6 North, Range 8 East

Lots 1 through 4 and W/2 comprising all of Section 28, and E/2, E/2 W/2 of Section 29 (approximately 728.20 acres);

E/2 W/2, E/2 of Section 32, and Lots 1 through 4 and W/2 comprising all of Section 33 (approximately 726.91 acres);

Township 5 North, Range 8 East

Lots 1 through 4 and W/2 comprising all of Section 4, and E/2, E/2 W/2 of Section 5 (approximately 726.66 acres).

with future wells to be located at least 1,320' from the boundary of the drilling unit.

5. That Applicant is the owner of working interests, and in some instances of operating rights, in a significant portion of the above described area sought to be spaced. Applicant has heretofore obtained the approval of the Wyoming Oil and Gas Supervisor to drill a test well for gas, its Urroz WIU No. 1, at a location in the NW/4 of Section 2, T14N, R121W, in Uinta County, Wyoming and has tested said well in the Phosphoria formation at a commercial rate of 10 MMCFD. The gas contains 16% H₂S. [After perforating the production casing and short-term production testing the perforated Phosphoria intervals, the well will be shut-in pending arrangements for a market]. Based upon the seismic information available, modified by the discovery well, the indicated structural configuration of this Phosphoria pool extends slightly into Utah.

6. That from geological evidence presented, it appears that all of the acreage hereinabove described is underlain by and would be productive from the Phosphoria formation.

7. That establishment of drilling units is necessary to avoid the drilling of unnecessary wells to protect correlative rights and to assist in the prevention of waste.

8. That a gas drilling unit of approximately 640 acres will accomplish this and is not smaller nor greater than the maximum area that can be efficiently and economically drained by one well producing gas from the above formation.

9. That the above described lands include the area in which additional wells will be drilled in an attempt to define the limits of this gas pool.

10. That if these additional wells encounter gas in the Phosphoria formation, it will be gas contained in the same pool.

11. That the Phosphoria formation is defined as a gas pool.

12. That each future well should be located in such a manner that, at the Phosphoria producing intervals, the well will be no closer than 1000 feet from the boundary of the NW/4 and no closer than 1000 feet from the boundary of the SE/4 of a governmental section.

13. That said units should be established as follows:

a. Lots 1, 2, 3 & 4, and the W/2 W/2 of Section 28, the E/2, and E/2 E/2 W/2 of Section 29, Township 6 North, Range 8 East SLBM, consisting of 648.20 acres shall constitute drilling unit #1.

b. Lots 1, 2, 3 & 4, and the W/2 W/2 of Section 33, the E/2 and E/2 E/2 W/2 of Section 32, Township 6 North, Range 8 East, SLBM, consisting of 646.91 acres shall constitute drilling unit #2.

c. Lots 1, 2, 3 & 4, and the W/2 W/2 of Section 4, the E/2 and E/2 E/2 W/2 of Section 5, Township 5 North, Range 8 East, SLBM, consisting of 646.66 acres shall constitute drilling unit #3.

ORDER

IT IS THEREFORE ORDERED:

To prevent waste of gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units of relatively uniform size and shape, the Board orders and decrees as follows:

1. That approximately 640 acre gas drilling units for the Phosphoria formation be and the same are hereby established for the following lands:

Township 6 North, Range 8 East

Lots 1 through 4 and W/2 comprising all of Section 28, and E/2, E/2 W/2 of Section 29 (approximately 728.20 acres);

E/2 W/2, E/2 of Section 32, and Lots 1 through 4 and W/2 comprising all of Section 33 (approximately 726.91 acres);

Township 5 North, Range 8 East

Lots 1 through 4 and W/2 comprising all of Section 4, and E/2, E/2 W/2 of Section 5 (approximately 726.66 acres).

2. That each future well shall be located in such a manner that, at the Phosphoria producing intervals, the well will be no closer than 1000 feet from the boundary of the NW/4 and no closer than 1000 feet from the boundary of the SE/4 of a governmental section. Each drilling unit shall be a half section or lot or lots, or portion thereof, equivalent thereto as established by governmental survey.

3. That said units shall be established as follows:

a. Lots 1 through 4 and the W/2 W/2 of Section 28, the E/2, and E/2 E/2 W/2 of Section 29, Township 6 North, Range 8 East, SLBM, consisting of 648.20 acres shall constitute drilling unit #1.

b. Lots 1 through 4 and the W/2 W/2 of Section 33, the E/2, and E/2 E/2 W/2 of Section 32, Township 6 North, Range 8 East, SLBM, consisting of 646.91 acres shall constitute drilling unit #2.

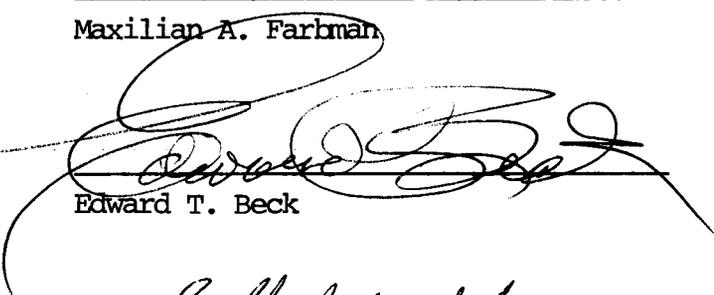
c. Lots 1 through 4 and the W/2 W/2 of Section 4, the E/2, and E/2 E/2 W/2 of Section 5 Township 5 North, Range 8 East, SLBM, consisting of 646.66 acres shall constitute drilling unit #3.

4. That the Board retains continuing jurisdiction over all matters covered by this Order and particularly to make further orders as may be necessary under conditions and circumstances developed in the future.

Entered this 19th day of November, 1980.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

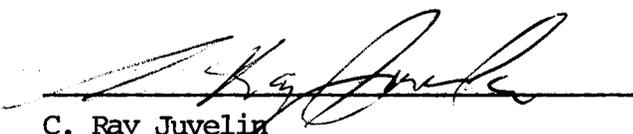
Maxilian A. Farbman



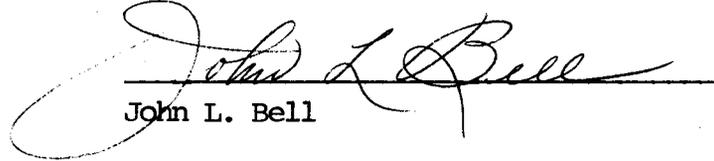
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