

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

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|---------------------------------|--------------------|
| IN THE MATTER OF THE PETITION) | FINDINGS OF FACT, |
| OF ENSERCH EXPLORATION, INC.) | CONCLUSIONS OF LAW |
| FOR ESTABLISHMENT OF DRILLING) | AND ORDER |
| AND SPACING UNITS FOR LANDS) | |
| IN THE BITTERCREEK FIELD OF) | DOCKET NO. 84-042 |
| UINTAH COUNTY, UTAH.) | CAUSE NO. 210-1 |

Pursuant to the Petition of Enserch Exploration, Inc., this cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 A.M. on Thursday, July 26, 1984 in the auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman
Richard L. Larsen
Constance Lundberg
Charles R. Henderson
John Garr

Also participating in the proceedings were Dr. Dianne Nielson, Director, Ronald J. Firth, Assistant Director, John R. Baza, Petroleum Engineer, and Barbara W. Roberts, Assistant Attorney General.

Appearing on behalf of Enserch Exploration, Inc. were Richard L. Franz, Geologist and Brian Sherran, Petroleum Geologist. Enserch was represented by Robert G. Pruitt, Jr., Attorney at Law.

Petitioner entered testimony and evidence in support of its Petition and responded to questions addressed to the witnesses by the Board and staff of the Division. There were no parties present at the hearing in opposition to the Petition.

NOW, THEREFORE, the Board having considered the testimony and evidence presented at the hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS OF FACT AND
CONCLUSIONS OF LAW

1. 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 regulations of the Board.

2. The Board has jurisdiction over the matter and the parties, and is empowered to enter the Order set forth below.

3. The Wasatch, Mesaverde, Segó and Castle Gate formations constitute a common source of supply of gas and associated hydrocarbons within the following described lands:

Township 11 South, Range 22 East, S.L.M.
Sections 1-6, 8-17

of the Bitter Creek Field in Uintah County, State of Utah.

4. The above named formations contain gas reservoirs comprised of braided stream channels having limited porosity and permeability. As a result a single well producing gas and associated hydrocarbons will not efficiently or effectively drain more than 320 acres.

5. Based upon drilling costs and economic factors relating to recovery of gas and associated hydrocarbons, and to protect correlative rights, the establishment of 320-acre drilling and spacing units is justified, with the permitted well location for each drilling unit to be within the NE $\frac{1}{4}$ or SW $\frac{1}{4}$ of each government surveyed section, no closer than 500 feet from the quarter section boundaries.

6. The existing gas well located in the NE $\frac{1}{4}$ of Section 3 should be designated as a permitted well for the E $\frac{1}{2}$ of Section 3, and the existing gas well in the NW $\frac{1}{4}$ of Section 10 should be designated as the permitted well for the W $\frac{1}{2}$ of Section 10.

ORDER

Based upon the foregoing Findings of Fact and Conclusions of Law, and upon the evidence and testimony given at the hearing, the Board makes and enters the following Order:

1. 320-acre drilling and spacing units, comprising the E $\frac{1}{2}$ and W $\frac{1}{2}$ of each surveyed section, are hereby established for gas and associated hydrocarbons produced from the Wasatch, Mesaverde, Segó and Castle Gate formations underlying the following described lands within the Bitter Creek Field in Uintah County:

Township 11 South, Range 22 East, S.L.M.
Sections 1-6: All
Sections 8-17: All

2. The permitted well location for each drilling unit shall be within the NE $\frac{1}{4}$ or SW $\frac{1}{4}$ of each government section, no closer than 500 feet from the quarter section boundaries.

3. The existing gas well located in the NE $\frac{1}{4}$ of Section 3

is hereby designated as the permitted well for the E½ of Section 3, and the existing gas well in the NW¼ of Section 10 is hereby designated as the permitted well for the W½ of Section 10.

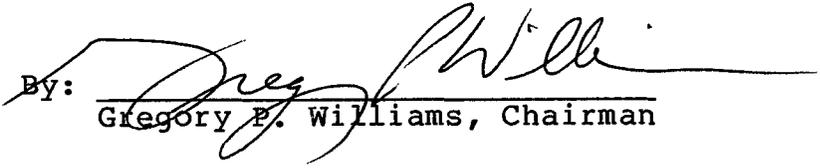
4. Exception locations for permitted well locations may be granted for topographical reasons by administrative approval, without the necessity of a Board hearing.

5. This Order is entered effective July 26, 1984. The Board retains continuing jurisdiction over the matter and the parties hereto.

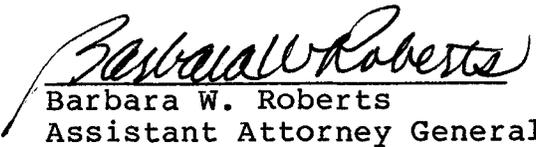
Dated this 26th day of July, 1984.

BOARD OF OIL, GAS & MINING

By:


Gregory P. Williams, Chairman

APPROVED AS TO FORM:


Barbara W. Roberts
Assistant Attorney General