

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF UTAH

IN THE MATTER OF THE ESTABLISHMENT  
OF DRILLING UNITS IN THE LISBON AREA,  
SAN JUAN COUNTY, UTAH, AS TO THE  
PRODUCING HORIZON OF THE MISSISSIPPI  
LIME

CAUSE NO. 32

and

IN THE MATTER OF THE ESTABLISHMENT  
OF DRILLING UNITS IN THE LISBON AREA,  
SAN JUAN COUNTY, UTAH, AS TO THE  
PRODUCING HORIZON OF THE McCRACKEN  
FORMATION

CAUSE NO. 33

and

IN THE MATTER OF THE APPLICATION OF  
CALIFORNIA OIL COMPANY, WESTERN  
DIVISION FOR AN ORDER ESTABLISHING  
DRILLING UNITS IN THE LISBON FIELD  
AREA, SAN JUAN COUNTY, UTAH, AS TO  
THE PRODUCING HORIZON OF THE OURAY  
FORMATION

CAUSE NO. 46

O R D E R

Each of the above entitled causes came on regularly for hearing at 10 o'clock A.M. on Tuesday, January 10, 1961. The following appearances were made:

For applicant, The Pure Oil Company	Harry G. Brelsford and Clair M. Senior
For applicant, Standard Oil Company of California (now California Oil Company, Western Division)	Donald E. Schwinn
For Pubco Petroleum Corporation	W. A. Keleher Hugh C. Garner William G. Webb
For Belco Petroleum Corporation	Luther E. Eggertsen
For Elliott Producing Company and Elliott, Inc.	Frank O. Elliott and John F. Russell
For Humble Oil & Refining Co.	William S. Livingston
For Roland Rich Woolley	himself

Mr. John Anderson, United States Geological Survey, Roswell, New Mexico, was also present.

There being no objection, the Commission ordered that Causes 32,

33 and 46 proceed simultaneously and be consolidated for the hearing of the preliminary formalities with the understanding that they be separated for further proceedings if developments indicated such a course.

The Pure Oil Company requested leave to amend its Application in Cause 32 to substitute in paragraph 5 thereof "320 acres" for "640 acres" and "the E $\frac{1}{2}$  and the W $\frac{1}{2}$  respectively of each numbered section" as the requested drilling or spacing units; **to substitute in paragraph 7** thereof a request that the permitted well location for a unit comprising the E $\frac{1}{2}$  of a section be in the SE $\frac{1}{4}$  of that section and for a unit comprising the W $\frac{1}{2}$  of a section be in the NW $\frac{1}{4}$  of that section; and to provide in paragraph 8 thereof that the drilling location within a permitted quarter-section be not less than 500 feet from the exterior boundaries of that quarter-section. There being no objection, the motion to file the requested amendments was granted.

The Pure Oil Company requested leave to amend its Application in Cause 33 so that the Application would conform in respect to the size and designation of drilling units and situs of the permitted wells with its Application in Cause 32 as authorized to be amended. There being no objection, the request was granted by the Commission.

Mr. Schwinn stated that since the filing by Standard Oil Company of California of its Application in Cause 46 and its Protest and Application in Cause 32, the involved leasehold interests of Standard Oil Company of California by assignment and merger are now vested in California Oil Company and he requested that "California Oil Company, Western Division" be substituted as the party-applicant in both causes and party-protestant in Cause 32. He further requested leave to amend said company's Application in Cause 46 to accord with the amendments proposed by The Pure Oil Company in Causes 32 and 33 so that the spacing units would be 320 acres with consistent locations. There being no objection, the said requests were granted by the Commission.

The Pure Oil Company proposed that the Commission enter an order postponing the date of the hearings in the respective causes to some date subsequent to June 30, 1961 when any or all of the causes might be brought before the Commission upon the application of any interested party or upon

the motion of the Commission. Commissioner Clyde pointed out that the net effect of a continuance order would be to place in effect in the field 320-acre spacing as far as the issuance of any drilling permits is concerned during the interim; and further stated that if the postponement should be granted, the Commission would propose to hold the drilling locations in accordance with the amendments which are to be made to the Applications as stated above.

Belco Petroleum Corporation stated that it had heretofore drilled a well in the NE $\frac{1}{4}$  of Section 16, T. 30S., R. 24E. and contemplated drilling another well in the SW $\frac{1}{4}$  of that section and would want an exception as to the contemplated well. Want of objection to the proposed exception was expressed on behalf of The Pure Oil Company, California Oil Company, Elliott Production Company, Elliott, Inc., the United States Geological Survey and Pubco Petroleum Corporation. No objections were offered. Commissioner Clyde **explained** that since no determination has been made as to whether the existing wells were oil wells or gas wells, if the requested postponement were granted an operator would not, **prior to** the further hearings, be permitted to disregard the 320-acre effect of the applications by calling a well an oil well, and stated that if anyone did object to that position such objection should be expressed. No objection was offered.

A question as to compulsory pooling having been raised, Commissioner Clyde inquired whether anyone would object to the Commission treating a petition for compulsory pooling, should one be filed, as being effective as of the date filed and the order for compulsory pooling as being effective as of the time of the filing of the petition. No objection was offered and Commissioner Clyde indicated that since the practical effect of postponement would be to place into effect 320-acre spacing, if someone petitioned for compulsory pooling and 320-acre spacing were ultimately ordered, the Commission would give heavy weight to these circumstances, including the time of the filing of the petition for compulsory pooling.

No objections to the proposed order of postponement having been presented,

IT IS HEREBY ORDERED that the hearing as to each of the above

captioned causes be continued to a date subsequent to June 30, 1961 to be fixed by the Commission upon its own motion or upon application of any interested party.

IT IS FURTHER ORDERED that, pending such further hearing and this Commission's decisions relative thereto, the amended Applications in the respective causes will, in respect to approval of notices of intention to drill, be treated under the Commission's rules as having the effect of:

imposing 320-acre spacing;

fixing as drilling units the E $\frac{1}{2}$  and the W $\frac{1}{2}$  respectively of the several numbered sections;

fixing the SE $\frac{1}{4}$  of a section as the situs for the permitted well for the E $\frac{1}{2}$  of the section and the NW $\frac{1}{4}$  of a section as the situs for the permitted well for the W $\frac{1}{2}$  of the section; and

precluding, unless expressly authorized by the Commission after notice and hearing, location of a well closer than 500 feet from the exterior lines of the legal subdivision (quarter-section) upon which such well is to be located except that the Commission may grant an exception as to the situs of the permitted well within the permitted legal subdivision without notice and hearing upon an application filed in due form showing the **necessity** for a location **nearer** than 500 feet from the exterior lines of the said permitted legal subdivision (quarter-section) based upon topographical reasons and a showing of consent from the operators in all said pool which adjoin or corner the proposed drilling unit involved,

although nothing herein is to be construed as constituting any determination **by** the Commission as to the facts presented by or the merits of any application or protest.

IT IS FURTHER ORDERED that, there having been no objection to the oral request of Belco Petroleum Corporation for an exception, Belco Petroleum Corporation may, upon application and ex parte hearing, be granted an exception permitting it to drill, for the W $\frac{1}{2}$  of Section 16, T. 30S., R. 24E., a well in the SW $\frac{1}{4}$  of said section.

IT IS FURTHER ORDERED that any heretofore drilled well shall be recognized as the permitted well for the proposed drilling unit upon which such well is situate, whether or not the situs of such well shall conform to the proposed specifications as to the location of the permitted well.

Dated this 8th day of February, 1961.

STATE OF UTAH OIL AND GAS  
CONSERVATION COMMISSION

/s/ Edward W. Clyde  
Edward W. Clyde,  
Presiding Commissioner

/s/ C. R. Henderson  
C. R. Henderson, Chairman

/s/ C. S. Thomson  
C. S. Thomson, Commissioner

/s/ M. V. Hatch  
M. V. Hatch, Commissioner

LAW OFFICES OF  
VAN COTT, BAGLEY, CORNWALL & MCCARTHY  
SUITE 300  
65 SOUTH MAIN STREET  
SALT LAKE CITY 11, UTAH

September 30, 1960

Mr. Cleon B. Feight, Executive Secretary  
Oil and Gas Conservation Commission of  
the State of Utah  
Newhouse Building  
Salt Lake City, Utah

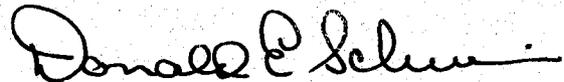
Re: Cause No. 32 - In the Matter  
of the Establishment of  
Drilling Units in the Lisbon  
Area, San Juan County, Utah.

Dear Mr. Feight:

We have been informed that The Pure Oil Company has requested a continuance of the hearing in the captioned matter from October 4, 1960, until December 6, 1960, on the ground that negotiations for the unitization of the entire field are in progress. This will advise you that Standard Oil Company of California has no objection to the continuance of this hearing provided the Commission will exercise its jurisdiction to protect correlative rights in the field in those cases where operators are not able to protect themselves against drainage by offset drilling and provided further that the continuance be granted on the express condition that all operators will in good faith attempt to conclude, during the period of the continuance, unitization of the field on an equitable basis.

Yours truly,

VAN COTT, BAGLEY, CORNWALL & MCCARTHY



Donald E. Schwinn

DES:L