

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

----- IN THE MATTER OF THE APPLICATION ) OF MURPHY CORPORATION AND EDWARD ) MIKE DAVIS FOR AN ORDER EXTENDING ) THIS COMMISSION'S ORDER IN CAUSE ) NO. 48 TO INCLUDE ALL OF SECTIONS ) 15, 16, 21, 22, 25, 26, 27, 28, ) 33, 34, 35 and 36 of T. 43 S., ) R. 24 E., SLBM, ANIDO CREEK AREA, ) SAN JUAN COUNTY, UTAH, AND TO ES- ) TABLISH 80-ACRE DRILLING AND SPAC- ) ING UNITS FOR THE DEVELOPMENT AND ) PRODUCTION OF OIL FROM THE LOWER ) ISMAY ZONE AND THE DESERT CREEK ) FORMATION UNDERLYING SAID LANDS. )	CAUSE NO. 53  FINDINGS OF FACT, CONCLUSIONS OF LAW AND <u>ORDER</u>
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The above captioned Cause No. 53 is before the Oil and Gas Conservation Commission on the application of Murphy Corporation and Edward Mike Davis for an Order extending this Commission's Order in Cause No. 48 to include all of Sections 15, 16, 21, 22, 25, 26, 27, 28, 33, 34, 35, and 36 of T. 43 S., R. 24 E., SLBM, Anido Creek Area, San Juan County, Utah, and to establish 80-acre drilling and spacing units for the development and production of oil for the Lower Ismay Zone and the Desert Creek Formation underlying said lands. A hearing was held on the application on April 12, 1961. No objection was made to the application, and a witness was called and evidence taken in support of the application. Upon the conclusion of the hearing the attorney for the applicant was directed to prepare an Order extending the Commission's Order in Cause No. 48 to include all of the lands described in the application of Murphy Corporation and Edward Mike Davis in this Cause, and to establish 80-acre drilling and spacing units with regard to both the Lower Ismay Zone and the Desert Creek Formation for said lands.

NOW THEREFORE, after due and careful consideration, this Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The area involved in this cause, and which is hereinafter for convenience referred to as the "New Anido Creek Area," lies within San Juan County, Utah. Although no official government survey of such lands has yet been made, a private survey has been made with ties to governmental corners. When officially surveyed, the lands should be described as follows:

T. 43 S., R. 24 E., SLBM

Sec. 15:	All
Sec. 16:	All
Sec. 21:	All
Sec. 22:	All
Sec. 25:	All
Sec. 26:	All
Sec. 27:	All
Sec. 28:	All
Sec. 33:	All
Sec. 34:	All
Sec. 35:	All
Sec. 36:	All

2. The Lower Ismay Zone and the Desert Creek Formation are continuous over the New Anido Creek Area and the original Anido Creek Area, as defined in this Commission's Order in Cause No. 48, and constitute common sources of supply. In the Davis-Tiger Navajo G-1-X2 well located in the New Anido Creek Area, the Lower Ismay Zone is found at a depth of approximately 4,892 feet below the surface, and the Desert Creek Formation is found at a depth of approximately 4,960 feet below the surface. In the Champlin-Murphy Navajo No. 111 well located in the original Anido Creek Area as defined in Cause No. 48, the Lower Ismay Zone is found at a depth of approximately 5,297 feet below the surface, and the Desert Creek Formation is found at a depth of approximately 5,393 feet below the surface. Both the Lower Ismay Zone and the Desert Creek Formation consist essentially of carbonate material, composed of a highly fossiliferous limestone and dolomite.

3. One well to each 80-acres will efficiently and economically drain the reservoir as found in and underlying the New Anido Creek Area.

4. The Order entered by this Commission in Cause No. 48 should be extended to include the New Anido Creek Area, and 80-acre spacing and drilling units for the New Anido Creek Area should be established in order to prevent waste, to avoid the drilling of unnecessary wells and to protect the correlative rights of interested parties. No more than one well should be drilled on any such unit for the production of oil from the Lower Ismay Zone and the Desert Creek Formation.

5. The drilling and spacing units for the New Anido Creek Area should be formed by dividing each governmental quarter section into two such units to consist respectively of the  $E\frac{1}{2}$  of each quarter section and the  $W\frac{1}{2}$  of each quarter section.

6. Except as may be hereafter ordered by the Commission, after notice and hearing, and as hereinafter provided, the permitted well for a spacing unit should be located in either the  $NE\frac{1}{4}$  of a governmental quarter section or in the  $SW\frac{1}{4}$  of a governmental quarter section and should be not less than 500 feet from any property or lease line or governmental quarter-quarter section line.

7. Wherever reference is made herein to a "governmental quarter section" or to any subdivision thereof, or to a "governmental quarter-quarter section" or to any specific description by subdivision, section, township and range, such reference is intended, in the case of surveyed lands, to refer to the indicated quarter section, quarter-quarter section, or other legal subdivision as determined by the government survey and is intended, in the case of unsurveyed lands or of partially surveyed lands, to refer to the indicated quarter section, quarter-quarter section, or other legal subdivision, as determined by and through projection or protraction from existing township surveys and/or existing township boundary line surveys.

8. The following matters should be specifically reserved from this Order:

- (a) Whether, if a well is completed as a producer in the Lower Ismay Zone or in the Desert Creek Formation, a subsequent "twin" well may be drilled on the same drilling and spacing unit to the zone or formation in which the first well was not completed as a producer.
- (b) Whether one well may be dually completed to produce from both the Lower Ismay Zone and the Desert Creek Formation.
- (c) Whether one well may be completed in both the Lower Ismay Zone and the Desert Creek Formation so as to commingle the oil through the same string of casing.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter of this cause and over the lessees and operators in the area involved. Notice of the hearing in this cause was given in all respects as required by law.

2. The Lower Ismay Zone and the Desert Creek Formation are continuous under the New Anido Creek Area, as such area is defined in Finding 1 of the foregoing Findings, and they constitute common pools or sources of supply.

3. One well to each 80-acres will efficiently and economically drain the said pools or common sources of supply as found in and underlying the New Anido Creek Area.

4. The establishment of 80-acre spacing and drilling units for the New Anido Creek Area is necessary to prevent waste, to avoid the drilling of unnecessary wells and to protect the correlative rights of interested parties.

5. The Order of this Commission in Cause No. 48 should be extended to include the New Anido Creek Area.

6. The shape and pattern of the spacing units for the Anido Creek Area should be as set forth and defined in Finding 5 of the foregoing Findings.

7. No more than one well should be drilled on any such spacing or drilling unit for the production of oil or gas from the Lower Ismay Zone and the Desert Creek Formation.

8. The locations or patterns of the permitted wells should be as set forth in Finding 6 of the foregoing Findings.

9. The application of Murphy Corporation and Edward Mike Davis for the issuance by this Commission of an Order extending the Order in Cause No. 48 to include the New Anido Creek Area, and to establish 80-acre spacing in the said New Anido Creek Area should be granted.

#### ORDER

IT IS THEREFORE ORDERED by the Commission as follows:

1. That this Commission's Order in Cause No. 48 should be and hereby is extended to include the area designated herein as the New Anido Creek Area as described in Finding 1;

2. That 80-acre drilling and spacing units be and the same are hereby established for the production of oil from the Lower Ismay Zone and the Desert Creek Formation underlying the said New Anido Creek Area as above defined;

3. That the shape and pattern of the such drilling and spacing units shall be as set forth and defined in Finding 5 of the foregoing Findings;

4. That no more than one well shall be drilled on any such unit for the production of oil from the Lower Ismay Zone and the Desert Creek Formation;

5. That the location of the permitted well for each such unit shall be as set forth and defined in Finding 6 of the foregoing Findings, provided, however, that an exception in respect to the location of a permitted well may be had without notice or hearing upon the filing with the Commission of an application showing that the proposed exception location is within the quarter-quarter section specified hereunder as the situs for

the permitted well; that topographic conditions exist which reasonably require a well location nearer than 500 feet to one or more boundaries of said quarter-quarter section; and either that the ownership of all oil and gas leases within a radius of 660 feet of the proposed exception location is common with the ownership of the oil and gas leases upon the proposed exception location or that all owners of oil and gas leases within such radius have consented in writing to the proposed exception location.

6. That the following matters are specifically reserved to the Commission, to be determined following subsequent notice and hearing:

- (a) Whether, if a well is completed as a producer in the Lower Ismay Zone or in the Desert Creek Formation, a subsequent "twin" well may be drilled on the same drilling and spacing unit to the zone or formation in which the first well was not completed as a producer.
- (b) Whether one well may be dually completed to produce from both the Lower Ismay Zone and the Desert Creek Formation.
- (c) Whether one well may be completed in both the Lower Ismay Zone and the Desert Creek Formation so as to commingle the oil through the same string of casing.

7. That nothing in the foregoing Findings of Fact or Conclusions of Law or in this Order is intended or shall be construed in any manner to determine or affect any question relating to the boundaries of any lease or the title to any lands or to determine the rights of any party in respect to any voluntary or involuntary pooling of interests within any hereby established spacing or drilling unit.

8. That this Order shall be effective forthwith; and

9. That the Commission retains continuing jurisdiction of all matters covered by this Order.

DATED this 12th day of April, 1961.

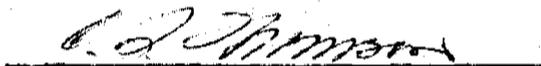
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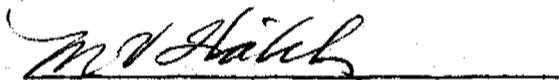
THE OIL AND GAS CONSERVATION COMMISSION  
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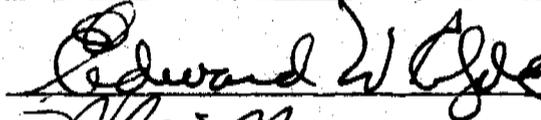


C. R. HENDERSON  
Chairman of the Commission,  
Presiding

APPROVED:

, Commissioner

, Commissioner

, Commissioner

, Commissioner

BEFORE THE OIL AND GAS CONSERVATION COMMISSION  
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governmental quarter section and should be not less than 500 feet from any property or lease line or governmental quarter-quarter section line.

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7. That nothing in the foregoing Findings of Fact or Conclusions of Law or in this Order is intended or shall be construed in any manner to determine or affect any question relating to the boundaries of any lease or the title to any lands or to determine the rights of any party in respect to any voluntary or involuntary pooling of interests within any hereby established spacing or drilling unit.

8. That this Order shall be effective forthwith; and

9. That the Commission retains continuing jurisdiction of all matters covered by this Order.

DATED this 12th day of April, 1961.

By Order of  
THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF UTAH



C. R. HENDERSON, Chairman of the  
Commission, Presiding

APPROVED:

