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

IN THE MATTER OF THE APPLICATION OF ALCO :
OIL AND GAS CORPORATION, AS OPERATOR, FOR :
ZOLLER AND DANNEBERG AND PETROLEUM INC., : FINDINGS OF FACT,
FOR AN ORDER ESTABLISHING 80-ACRE DRILL- : CONCLUSIONS
ING TRACTS COVERING THE DESERT CREEK AND : AND ORDER
ISMAY FORMATION IN SECTIONS 16, 17, 18, :
19, 20 and 21, N/2 SEC. 28, N/2 SEC. 29, : CAUSE NO. 85
N/2 SEC. 30, TOWNSHIP 40 SOUTH, RANGE :
23 EAST, SAN JUAN COUNTY, UTAH :

This Cause came on regularly for hearing before the Commission at 10:00 o'clock A.M. on Thursday, 14th February, 1963, in the Commission's office, 310 Newhouse Building, Salt Lake City, pursuant to the application of Alco Oil and Gas Corporation. The entire Commission was present. Appearances were made as follows:

H. E. Zoller, Jr., Geological Engineer, on behalf of Alco Oil & Gas Corporation, Zoller and Danneberg & Petroleum, Inc.

Evidence in support of the application was introduced on behalf of Alco Oil and Gas Corporation, the applicant and the company owner and operator of a majority of the oil and gas leases covering the lands lying within the boundaries of the following described real property situated in San Juan County, to-wit:

T. 40 South, R. 23 East

Sec. 16: All Sec. 21: All
Sec. 17: All Sec. 28: N/2
Sec. 18: All Sec. 29: N/2
Sec. 19: All Sec. 30: N/2
Sec. 20: All

Mr. H. E. Zoller, Jr., was qualified and received as an expert witness. His testimony described the proposed plan and program for the development and operation of the area above described. The testimony of Mr. Zoller was not challenged and no objection to the granting of the application was filed or expressed.

From the testimony adduced at said hearing and from the record and files in this case, which are made a part hereof by reference, the Commission now makes the following findings of fact and conclusions together with its order herein:

FINDINGS OF FACT

The Commission finds as follows:

1. That due notice of the time, place, and purpose of the hearing

has been given in all respects as required by law and proof of the publication of such notice in the Salt Lake Tribune, a daily newspaper of general circulation in the City of Salt Lake and County of Salt Lake, Utah, and in the San Juan Record, the only newspaper of general circulation in San Juan County, Utah, in on file with the Commission.

2. That the Applicant, Alco Oil and Gas Corporation, is duly authorized to do business in the State of Utah, and at the present time, is engaged in the drilling and development of various oil and gas properties within the state.

3. That the Commission has jurisdiction over the matter embraced in said application and over all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.

4. That both the Lower Ismay and Desert Creek Formations are present in the area and consist essentially of carbonate material, of low permeability and appear to be similar in nature to the Aneth Reservoir.

5. That todate only four producing wells have been completed in the lands above described, one producing from both zones and three from the Ismay zone only.

6. That there is not available at this time sufficient pressure information to adequately prove communication throughout these reservoirs.

CONCLUSION

The Commission, nevertheless concludes that it is feasible at this time to enter a temporary order establishing 80-acre drilling and spacing units covering the entire lands heretofore described to avoid the drilling of unnecessary wells, to prevent waste and to protect correlative rights.

ORDER

IT IS THEREFORE ORDERED by the Commission as follows:

1. That temporary 80-acre drilling and spacing units be and the same are hereby established for the production of oil from the Lower Ismay and/or the Desert Creek Zones underlying the following described area in San Juan County, Utah:

T. 40 South, R. 23 East

Sec. 16: All	Sec. 21: All
Sec. 17: All	Sec. 28: N/2
Sec. 18: All	Sec. 29: N/2
Sec. 19: All	Sec. 30: N/2
Sec. 20: All	

2. That the 80-acre drilling and spacing units shall be and the same are formed by dividing each governmental quarter section into two such units to consist respectively of the E $\frac{1}{2}$ of such quarter section and the W $\frac{1}{2}$ of such quarter section.

3. That no more than one well shall be drilled on any such unit for the production of oil from the Lower Ismay and/or Desert Creek Zones.

4. That, except as may be hereafter otherwise ordered by the Commission after notice and hearing, the location of the permitted well for each unit shall be in the NW $\frac{1}{4}$ of the quarter section and the SE $\frac{1}{4}$ of the quarter section and not less than 500 feet from any property or lease line or governmental quarter-quarter section line; provided, however, that an exception in respect to the location of 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.

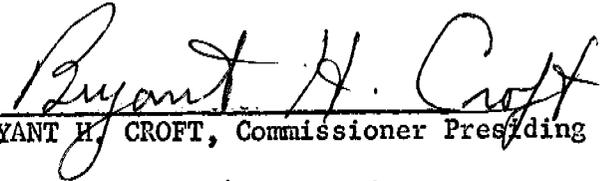
5. The Commission shall determine following notice and hearing whether, if a well is completed as a producer in the Lower Ismay Zone or in the Desert Creek Zone, a subsequent "twin well" may be drilled on the same drilling and spacing unit to the zone in which the first well was not completed as a producer.

6. That this Order shall be in effect until further order of the Commission.

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

DATED this 14th day of February 1963.

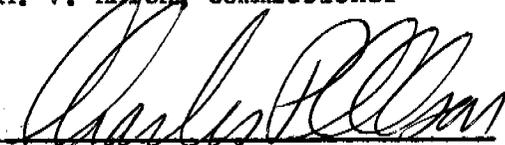
STATE OF UTAH
OIL & GAS CONSERVATION COMMISSION


BRYANT H. CROFT, Commissioner Presiding


C. R. HENDERSON, Chairman


C. S. THOMSON, Commissioner


M. V. HATCH, Commissioner


CHARLES P. OLSEN, Commissioner

23 BEFORE THE OIL AND GAS CONSERVATION COMMISSION

10 OF THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION OF ALCO :	
OIL AND GAS CORPORATION, AS OPERATOR,	
FOR ZOLLER AND DANNEBERG AND PETROLEUM :	FINDINGS OF FACT,
INC. FOR AN ORDER ESTABLISHING 80-ACRE :	CONCLUSIONS
DRILLING TRACTS COVERING THE DESERT :	AND ORDER
CREEK AND ISMAY FORMATION IN SECTIONS	
16, 17, 18, 19, 20 AND 21, N/2 SEC. 28, :	CAUSE NO. 85
N/2 SEC. 29, N/2 SEC. 30, TOWNSHIP 40	
SOUTH, RANGE 23 EAST, SAN JUAN COUNTY, :	
UTAH	

This Cause came on regularly for hearing before the Commission at 10:00 o'clock A.M. on Thursday, 14th February, 1963, in the Commission's office, 310 Newhouse Building, Salt Lake City, pursuant to the application of Alco Oil and Gas Corporation. The entire Commission was present.

Appearances were made as follows: *Geological Engineer*

~~Frank~~ H. E. Zoller, Jr., ~~Geologist~~, on behalf of
Alco Oil & Gas Corporation, *Zoller and Danneberg & Petroleum, Inc.*

Evidence in support of the application was introduced on behalf of Alco Oil & Gas Corporation, the applicant and the ^{Co-}owner and operator of a majority of the oil and gas leases covering the lands lying within the boundaries of the following described real property situated in San Juan County, To-wit:

- T. 40 South, R. 23 East
- Sec. 16: All Sec. 21: All
- Sec. 17: All Sec. 28: N/2
- Sec. 18: All Sec. 29: N/2
- Sec. 19: All Sec. 30: N/2
- Sec. 20: All

Mr. ~~Frank~~ ^{H. E.} Zoller, Jr., was qualified and received as an expert witness. His testimony described the proposed plan and program for the development and operation of the area above described. The testimony of Mr. Zoller, ~~Frank~~ was not challenged and no objection to the granting of the application was filed or expressed.

From the testimony adduced at said hearing and from the record and files in this case, which are made a part hereof by reference, the Commission now makes the following findings of fact and conclusions together with its order herein:

FINDINGS OF FACT

The Commission finds as follows:

1. That due notice of the time, place, and purpose of the hearing has been given in all respects as required by law and proof of the publication of such notice in ^{the Salt Lake Tribune;} a daily newspaper of general circulation in the City of Salt Lake and County of Salt Lake, Utah, and ^{in the San Juan Record, the only} ~~in all newspapers in~~ ^{newspaper of} San Juan County, Utah, is on file with the Commission. ^{general} ^{circulation}

2. That the Applicant, Alco Oil and Gas Corporation, is duly authorized to do business in the State of Utah, and at the present time, is engaged in the drilling and development of various oil and gas properties within the state.

3. That the Commission has jurisdiction over the matter embraced in said application and over all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.

4. That the Lower Ismay ~~and~~ or the Desert Creek Zones are continuous throughout the area heretofore described and constitute common sources of supply wherein it might reasonably be expected that oil production can be obtained.

4. That both the Lower Ismay and Desert Creek formations consist essentially of carbonate material, ^{are present in the area and} ~~composed of highly fossiliferous limestone~~ ^{of low permeability and appear} and ~~do not~~ ^{to be similar in nature to the Aneth} Reservoir.

6. That the Lower Ismay and Desert Creek are low permeability reservoirs similar in nature to the Aneth Reservoir.

5. That todate only four producing wells have been completed in the ^{lands above} ~~heretofore~~ described, ~~as one~~ ^{producing from both zones and three from} the ~~Jamay zone only~~ ^{Jamay zone only}.

6. That there is not available at this time sufficient pressure information to adequately prove communication throughout these reservoirs.

CONCLUSION:

The Commission, nevertheless concludes that it is feasible at this time to enter a temporary order establishing 80 acre drilling and spacing units covering the entire lands heretofore described to avoid the drilling of unnecessary wells, ^{to} prevent waste and ^{to} protect correlative rights.

ORDER

IT IS THEREFORE ORDERED by the Commission as follows:

1. That temporary 80-acre drilling and spacing units be and the same are hereby established for the production of oil from the Lower Ismay and/or the Desert Creek Zones underlying the following described area *in* San Juan County, Utah:

(See First Page)

2. That the 80-acre drilling and spacing units shall be and the same are formed by dividing each governmental quarter section into two such units to consist respectively of the E $\frac{1}{2}$ of such quarter section and the W $\frac{1}{2}$ of such quarter section.

3. That no more than one well shall be drilled on any such unit for the production ~~of~~ of oil from the Lower Ismay and/or Desert Creek Zones.

4. That, except as may be hereafter ^{otherwise} ordered by the Commission after notice and hearing, ~~and as hereinafter provided~~, the location of the permitted well for each unit shall be in the NW $\frac{1}{4}$ of ~~the W $\frac{1}{2}$~~ of the quarter section and the SE $\frac{1}{4}$ of ~~the E $\frac{1}{2}$~~ of the quarter section and not less than 500 feet from any property or lease line or governmental quarter-quarter section line; 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 ~~an~~ 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 ^z 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.

5. ~~The following matters are specifically reserved to~~ ^T the Commission ⁱ ~~to be determined~~ ^{shall} following ~~subsequent~~ notice and hearing.

^W Whether, if a well is completed as a producer in the Lower Ismay Zone or in the Desert Creek Zone, a subsequent "twin well" may be drilled on the same drilling and spacing unit to the zone in which the first well was not completed as a producer.

(b) Whether one well may be completed in both the Lower Ismay Zone and the Desert Creek Zone so as to commingle the oil through the same

string of casing.

6. That this Order shall be ~~effective forthwith and shall continue~~ *in effect until further order of the Commission,*
~~In effect until such time as the Commission on its own motion or any interested party institutes proceedings to repeal, amend, modify or supplement the same.~~

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

DATED this 14th day of February 1963.

STATE OF UTAH
OIL & GAS CONSERVATION COMMISSION

BRYANT H. CROFT, COMMISSIONER PRESIDING

E R. Anderson, Chairman

C S. Thomas, Commissioner

M V. Hahn, Commissioner

Charles Olson, Commissioner