

CAUSE NO. 129-6 / DOCKET NO. 91-018

FIRST AMENDED REQUEST IN  
THE MATTER OF THE REQUEST  
FOR AGENCY ACTION BY BALCRON  
DIVISION OF EQUITABLE  
RESOURCES ENERGY COMPANY  
FOR AN ORDER APPROVING THE  
LOCATION OF PETITIONER'S  
BALCRON COYOTE FEDERAL #12-5  
AS LOCATED IN THE SW NW SECTION  
5, TOWNSHIP 8 SOUTH, RANGE  
25 EAST, S.L.M.; BALCRON  
COYOTE FEDERAL #21-5 AS  
LOCATED IN THE NE NW SECTION  
5, TOWNSHIP 8 SOUTH, RANGE  
25 EAST, S.L.M.; AND BALCRON  
COYOTE FEDERAL #22-7 AS  
LOCATED IN THE SE NW SECTION  
7, TOWNSHIP 8 SOUTH, RANGE 25  
EAST, S.L.M., UINTAH COUNTY, UTAH

ORDERS

<u>ORDER #</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	6/18/92	FINDINGS OF FACT CONCLUSIONS OF LAW AND ORDER
	6/19/92	Certificate of Mailing

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June 22, 1992

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

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FIRST AMENDED REQUEST	:	FINDINGS OF FACT
IN THE MATTER OF THE REQUEST	:	CONCLUSIONS OF LAW
FOR AGENCY ACTION BY BALCRON	:	AND ORDER
DIVISION OF EQUITABLE	:	
RESOURCES ENERGY COMPANY	:	
FOR AN ORDER APPROVING THE	:	DOCKET NO. 92-018
LOCATION OF PETITIONER'S	:	CAUSE NO. 129-6 -S
BALCRON COYOTE FEDERAL #12-5	:	
AS LOCATED IN THE SW NW SECTION	:	
5, TOWNSHIP 8 SOUTH, RANGE	:	
25 EAST, S.L.M.; BALCRON	:	
COYOTE FEDERAL #21-5 AS	:	
LOCATED IN THE NE NW SECTION	:	
5, TOWNSHIP 8 SOUTH, RANGE	:	
25 EAST, S.L.M.; AND BALCRON	:	
COYOTE FEDERAL #22-7 AS	:	
LOCATED IN THE SE NW SECTION	:	
7, TOWNSHIP 8 SOUTH, RANGE 25	:	
EAST, S.L.M., UINTAH COUNTY,	:	
UTAH	:	

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Pursuant to Notice of Hearing dated May 4, 1992, by the Board of Oil, Gas and Mining (the "Board"), this matter came on for hearing before the Board on Wednesday, May 27, 1992, in the Boardroom of the Division of Oil, Gas and Mining (the "Division"), 355 West North Temple, 3 Triad Center, Suite 520, Salt Lake City, Utah.

The following Board members were present and participated in the hearing:

James W. Carter, Chairman  
Jay L. Christensen  
Dave D. Lauriski  
Judy F. Lever  
E. Steele McIntyre  
Raymond Murray  
Kent E. Stringham

The Board was represented by William R. Richards, Esq. of the Utah Attorney General's office for the State of Utah

The following staff members of the Division were present and participated in the hearing:

Dr. Dianne R. Nielson, Director  
Ronald J. Firth, Associate Director for Oil and Gas  
Frank R. Matthews, Petroleum Engineer  
Brad G. Hill, Petroleum Geologist

The Division was represented by Thomas A. Mitchell, Esq., of the Utah Attorney General's office for the State of Utah.

Representing the Petitioner was R. Dennis Ickes, Esq., Nielsen & Senior, P.C. Steve Durrett, Engineering Manager and Robert Shalla, Exploration Manager testified on behalf of Balcron Oil.

Assad N. Raffoul, Petroleum Engineer, Utah State Office, and Jerry Kenczka, Petroleum Engineer, Vernal District, were present and participated on behalf of the Bureau of Land Management.

The Board, having considered the testimony introduced and the exhibits 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 rules of the Board, including certified mailings to all parties having an interest in the tracts of land contiguous to the drilling units in this matter.

2. The Board has jurisdiction over the subject matter of

the Petition (Amended Request for Agency Action) and over the persons interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board entered its Order in Cause No. 129-1 dated September 13, 1967, to provide for drilling units consisting of the  $W\frac{1}{2}$  and the  $E\frac{1}{2}$  of each quarter section in the following lands:

Township 7 South, Range 25 East, S.L.M.

Section 31:	$S\frac{1}{2}$
Section 32:	$S\frac{1}{2}$
Section 33:	$S\frac{1}{2}$

Township 8 South, Range 24 East, S.L.M.

Section 1:	$NE\frac{1}{4}, S\frac{1}{2}$
Section 12:	All
Section 13:	All
Section 23:	All
Section 24:	All

Township 8 South, Range 25 East, S.L.M.

Section 4:	All
Section 5:	All
Section 6:	All
Section 7:	All
Section 8:	All
Section 9:	All
Section 17:	All
Section 18:	All
Section 19:	$N\frac{1}{2}$

The Order further provided that the location of a permitted well drilled to the known producing zones of the Green River formation, shall be at a location in the approximate center of the  $NE\frac{1}{4}$  and the  $SW\frac{1}{4}$  of each quarter section, and shall be located not closer than 500 feet from the exterior lines of the legal subdivision within which the permitted well is located.

4. Utah Code Ann. § 40-6-6(4) states that "the Board may

modify an order establishing drilling units to decrease or increase the size of the drilling units or permit additional wells to be drilled within the established units."

5. Geological and engineering testimony and evidence indicates that the following proposed wells would be located so as to maximize production from the Green River formation, prevent waste, protect correlative rights and avoid the drilling unnecessary wells:

Township 8 South, Range 25 East, Uintah County, S.L.M.

Balcron Coyote Fed. #13-5, NW SW, Sec. 5, 1605' FSL, 586' FWL  
Balcron Coyote Fed. #33-5, NW SE, Sec. 5, 1892' FSL, 2326' FEL  
Balcron Coyote Fed. #21-5, NE NW, Sec. 5, 660' FNL, 1980' FWL  
Balcron Coyote Fed. #12-5, SW NW, Sec. 5, 1980' FNL, 660' FWL  
Balcron Coyote Fed. #42-6, SE NE, Sec. 6, 1980' FNL, 660' FEL  
Balcron Coyote Fed. #31-7, NW NE, Sec. 7, 561' FNL, 1977' FEL  
Balcron Coyote Fed. #13-7, NW SW, Sec. 7, 1980' FSL, 660' FWL  
Balcron Coyote Fed. #33-7, NW SE, Sec. 7, 1751' FSL, 1922' FEL  
Balcron Coyote Fed. #22-7, SE NW, Sec. 7, 1749' FNL, 1601' FWL

6. Three wells, the #21-5 well, NE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 5; the #12-5 well, SW $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 5; and the #22-7 well, SE $\frac{1}{4}$ NW $\frac{1}{4}$ , Section 7 are located so as to constitute an additional well within the presently established 80 acre drilling units. The other six wells are located so as to constitute exceptions to the prescribed locating and siting of the wells within the presently established 80 acre drilling units.

7. The geological and engineering exhibits supporting the conclusion that the above listed wells are located so as to maximize production, prevent waste, protect correlative rights and avoid the drilling of unnecessary wells consist of:

- a. Structure map: base of Wasatch Tongue Marker.
- b. Net Sand Isopach map.

- c. Land map.
- d. History of Reservoir Pressure v. Time.
- e. History of Reservoir Pressure v. Cumulative Oil Production.
- f. Production History of Coyote Basin No.1 Well.
- g. Production History of East Red Wash No. 1-5 Well.

8. Sufficient evidence and testimony now being available upon which to reach a decision, and upon motion being duly made by Mr. Stringham and seconded by Mr. Christensen, and unanimously approved by the Board members present, the Board issues the following:

ORDER

IT IS THEREFORE ORDERED:

1. To prevent waste of oil, gas and associated hydrocarbons, avoid the drilling of unnecessary wells, protect correlative rights and maximize oil and gas resource recovery, the Board hereby amends the Order issued in Cause No. 129-1 to permit the locating and siting of the proposed wells within the established drilling units as follows:

<u>Drilling Unit</u>	<u>Well No. and Location</u>
#18 E $\frac{1}{2}$ NE $\frac{1}{4}$ , Section 6	#42-6, SE $\frac{1}{2}$ NE $\frac{1}{4}$
#19 W $\frac{1}{2}$ NW $\frac{1}{4}$ , Section 5	#12-5, SW $\frac{1}{2}$ NW $\frac{1}{4}$
#20 E $\frac{1}{2}$ NW $\frac{1}{4}$ , Section 5	#21-5, NE $\frac{1}{2}$ NW $\frac{1}{4}$
#32 W $\frac{1}{2}$ SE $\frac{1}{4}$ , Section 5	#33-5, NW $\frac{1}{2}$ SE $\frac{1}{4}$
#34 W $\frac{1}{2}$ SW $\frac{1}{4}$ , Section 5	#13-5, NW $\frac{1}{2}$ SW $\frac{1}{4}$
#48 E $\frac{1}{2}$ NW $\frac{1}{4}$ , Section 7	#22-7, SE $\frac{1}{2}$ NW $\frac{1}{4}$
#49 W $\frac{1}{2}$ NE $\frac{1}{4}$ , Section 7	#31-7, NW $\frac{1}{2}$ NE $\frac{1}{4}$
#68 W $\frac{1}{2}$ SE $\frac{1}{4}$ , Section 7	#33-7, NW $\frac{1}{2}$ SE $\frac{1}{4}$
#70 W $\frac{1}{2}$ SW $\frac{1}{4}$ , Section 7	#13-7, NW $\frac{1}{2}$ SW $\frac{1}{4}$

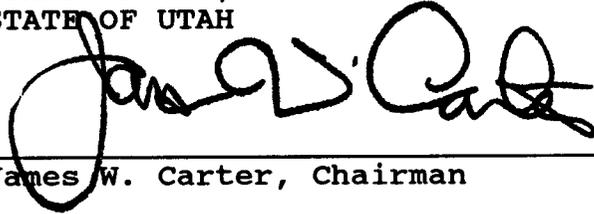
All other provisions of the Order issued in Cause No. 129-1 regarding locating and siting of wells remain unchanged.

2. The Board retains continuing jurisdiction of all

matters covered by this Order, and over all parties affected thereby, and the Board retains and reserves continuing jurisdiction to make further Orders as authorized by statute or applicable rules.

SIGNED and entered this 18<sup>th</sup> day of June 1992.

BOARD OF OIL, GAS AND MINING  
STATE OF UTAH



A large, stylized handwritten signature in black ink, appearing to read 'James W. Carter', is written over a horizontal line.

James W. Carter, Chairman

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT CONCLUSIONS OF LAW AND ORDER in Docket No. 92-018, Cause No. 129-6 to be mailed by certified mail, postage prepaid, on the 19th day of June, 1992 to the following:

Dennis Ickes, Esq.  
Nielson and Senior  
Suite 1100, Eagle Gate Plaza  
60 East South Temple  
Salt Lake City, Utah 84111

✓Balcron  
Division of Equitable  
Resources Energy Company  
1601 Lewis Avenue  
Billings, Montana 59104

Mailed first class, postage prepaid, the 19th day of June, 1992 to the following:

Cochrane Resources  
Box 1656  
Roosevelt, Utah 84066

Tidemark Energy Corporation  
Box 310  
Morrison, Colorado 80465

G. W. McDonald  
528 Fair Foundation  
Tyler, Texas 75702

Joan Chorney  
555 17th Street, Suite 1000  
Denver, Colorado 80202

Roseland Exploration  
528 Fair Foundation  
Tyler, Texas 75702

Corbin Robertson  
P. O. Box 3331  
Houston, Texas 77253

Marathon Oil Company  
Box 2690  
Cody, Wyoming 82414

Andover Partners  
Box 1715  
Denver, Colorado 80201

Lancaster Corporation  
Box 8439  
Denver, Colorado 80201

  
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