

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PROMULGATION)
AND ADOPTION OF AN ORDER) ORDER
ESTABLISHING PERMANENT DRILLING)
UNITS FOR THE BLUEBELL AREA,) CAUSE NO. 131-11
DUCHESNE COUNTY, UTAH)

Pursuant to Notice of Hearing dated January 21, 1971, of the State of Utah, Department of Natural Resources, Board of Oil and Gas Conservation, this Cause came on for hearing before said Board at 10:00 a.m., on Thursday, February 17, 1971, in the Auditorium of the State Office Building, Salt Lake City, Utah. The following Board members were present:

Delbert M. Draper, Jr., Esq., Chairman, Presiding

Charles R. Henderson

Robert R. Norman

Wesley R. Dickerson

Also present:

Cleon B. Feight, Esq., Director, Division of Oil and Gas Conservation

Paul W. Burchell, Chief Petroleum Engineer, Division of Oil and Gas Conservation

Sheridan L. McGarry, Esq., Special Assistant Attorney General

Appearances were made as follows:

For Chevron Oil Company,
Western Division:

William M. Balkovatz, Esq.
Denver, Colorado

Richard K. Sager, Esq.
Salt Lake City, Utah

For Mobil Oil Corporation:

Burns H. Errebo, Esq.
Denver, Colorado

Richard K. Sager, Esq.
Salt Lake City, Utah

For Flying Diamond Land
and Mineral Corporation and
Gas Producing Enterprises:

Robert G. Pruitt, Esq.
Salt Lake City, Utah

For Mountain Fuel Supply
Company:

Glen M. Hatch, Esq.
Salt Lake City, Utah

NOW, THEREFORE, the Board, having considered the testimony adduced, and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the Rules and Regulations of the Board.

2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. By Temporary Order designated Cause No. 131-6, dated February 19, 1970, the Board:

(a) Ordered that its Orders in Cause Nos. 131-2, dated November 20, 1968, and 131-3, dated April 16, 1969, should remain in effect with respect to the 80-acre drilling units established therein covering the interval applicable thereto, all as more particularly set forth therein.

(b) Established 320-acre drilling units covering the following described lands:

Township 1 South, Range 1 West, U.S.M.

Section 7: All

Section 8: All

Township 1 South, Range 2 West, U.S.M.

Section 1: All

Section 2: All

Section 3: All

Section 4: All

Section 10: All

Section 11: All

Section 12: All

and provided that said drilling units be limited to the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds.

(c) Established 640-acre drilling units covering the following described lands:

Township 1 North, Range 1 West, U.S.M.

Section 31: All

Section 32: All

Section 33: All

Township 1 South, Range 1 West, U.S.M.

Section 4: All

Section 5: All

Section 6: All

Section 9: All

Section 16: All

Section 17: All

Section 18: All

Section 19: All

Section 20: All

Section 21: All

Township 1 North, Range 2 West, U.S.M.

Section 31: All
Section 32: All
Section 33: All
Section 34: All
Section 35: All
Section 36: All

Township 1 South, Range 2 West, U.S.M.

Section 5: All
Section 6: All
Section 7: All
Section 8: All
Section 9: All
Section 13: All
Section 14: All
Section 15: All
Section 16: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 22: All
Section 23: All
Section 24: All

Township 1 North, Range 3 West, U.S.M.

Section 35: All
Section 36: All

Township 1 South, Range 3 West, U.S.M.

Section 1: All
Section 2: All
Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 23: All
Section 24: All

and provided that said drilling units be limited to the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds.

4. By Order designated Cause No. 131-10, dated September 23, 1970, the Board modified its Order contained in Cause No. 131-6 by including therein the following described lands:

Township 1 South, Range 1 West, U.S.M.

Section 2: All
Section 3: All
Section 10: All
Section 11: All
Section 14: $W\frac{1}{2}$, $NE\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$
Section 15: All
Section 22: All
Section 23: $S\frac{1}{2}$, $S\frac{1}{2}N\frac{1}{2}$, $N\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{2}NE\frac{1}{4}$

The Board, in Cause No. 131-10, further ordered:

(a) That as to said Section 14, above, the drilling unit shall exclude the $E\frac{1}{2}SE\frac{1}{4}$ and contain 560 acres, more or less.

(b) That as to said Section 23, above, the drilling unit shall exclude the NE $\frac{1}{4}$ NE $\frac{1}{4}$ and contain 600 acres, more or less.

(c) That as to said Sections 2, 3, 10, 11, 15 and 22 above, each section shall comprise a drilling unit containing 640 acres, more or less.

(d) That said drilling units be limited to the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds.

5. That the lands known and believed to be underlain by the common sources of supply from which oil, gas and associated hydrocarbons can be produced from the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, situated in Duchesne County, Utah, include all of the lands described in paragraphs 3(b), 3(c) and 4., above.

6. That one well on a 640-acre tract will efficiently and economically drain the recoverable oil, gas and associated hydrocarbons from the hereinafter designated interval of the Lower Green River formation, including Lower Green River transitional beds, underlying the lands described in paragraphs 3(b), 3(c), and 4., above, and that a 640-acre drilling unit is not larger than the maximum area that can be efficiently and economically drained by one well.

7. That Section 40-6-6 (a) of the Utah Code Annotated, 1953, requires that drilling units be of uniform size and shape for the entire pool.

8. In order to prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, and to protect correlative rights, drilling units should be established comprising each governmental section or governmental lots corresponding thereto, i.e., 640-acres, more or less, and that the interval spaced should include that interval of the Lower Green River formation, including Lower Green River transitional beds, defined as that interval below the stratigraphic equivalent of 9600 feet depth in the "E" log of the Carter #2 Bluebell well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 3, Township 1 South, Range 2 West, U.S.M., (which equivalence is the depth 9530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard well located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 3, down to and including the stratigraphic equivalent of 1000 feet below the 12,733 foot drilled depth in

the Chevron-Mobil Ute Tribal Unit #1 well located in the SW $\frac{1}{4}$, Section 7, Township 1 South, Range 2 West, U.S.M., underlying the lands described in paragraphs 3(b), 3(c), and 4., above.

9. That except for Section 34, Township 1 North, Range 2 West, U.S.M.: Sections 16, 17, and 18, Township 1 South, Range 1 West, U.S.M.: and the sections described in paragraph 3(b) above, the permitted well for each drilling unit referred to in paragraph (e) of the herein Order, should be located in the center of the SW $\frac{1}{4}$ of each of the remaining sections described in paragraphs 3(b), 3(c), and 4., above, with a tolerance of 220 feet in any direction, and that the wells located in the NE $\frac{1}{4}$ of said Sections 34, 17, and 18, in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of said Section 16, in the SE $\frac{1}{4}$ of Section 4, Township 1 South, Range 2 West, U.S.M., in the center of the W $\frac{1}{2}$ of Section 1, Township 1 South, Range 2 West, U.S.M., should be allowed as exceptions to the well-spacing in said 640-acre drilling units, and that no other well be permitted to produce from the interval described in paragraph 8., above in the 640-acre drilling units comprising said Sections 1, 4, 16, 17, 18, and 34.

With respect to Sections 7 and 8, Township 1 South, Range 1 West, U.S.M., and Sections 2, 3, 10, 11 and 12, Township 1 South, Range 2 West, U.S.M., only one of the wells located in said Sections should be permitted to produce from the interval described in paragraph 8, above, at any particular time, and the determination of which such well should be produced and for what period or periods should be left to the discretion of the operator.

10. That said Orders in Cause Nos. 131-2 and 131-3 should remain in effect with respect to the 80-acre drilling units established therein covering the interval applicable thereto, all as more particularly set forth therein.

11. That any and all Orders of the Board heretofore promulgated concerning the Bluebell Area, Duchesne County, Utah, which are inconsistent with the Orders hereinafter set forth should be vacated upon the effective date as hereinafter set forth.

O R D E R

IT IS THEREFORE ORDERED:

To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units of uniform size and shape for the Bluebell Area,

Duchesne County, Utah, the following orders are hereby promulgated to govern operations in said area and shall be effective as of 7:00 a.m., June 1, 1971:

(a) That until said effective date any and all Orders of the Board heretofore promulgated covering said area shall remain in full force and effect.

(b) That upon said effective date any and all such Orders which are inconsistent with the Orders herein set forth shall be and are hereby vacated.

(c) That the Orders in Cause Nos. 131-2, dated November 20, 1968, and 131-3, dated April 16, 1969, shall remain in effect with respect to the 80-acre drilling units established therein, covering the interval applicable thereto, are as more fully set forth therein.

(d) That the lands known and believed to be underlain by the common sources of supply from which oil, gas and associated hydrocarbons can be produced from the hereinafter referred to interval of the Lower Green River formation, including Lower Green River transitional beds, situated in Duchesne County, Utah, include the lands described in paragraphs 3(b), 3(c), and 4., above.

(e) That 640-acre drilling units be and the same are hereby established comprising each governmental section or governmental lots corresponding thereto, for the development and production of oil, gas, and associated hydrocarbons from the interval described in paragraph 8, above, underlying the lands described in paragraphs 3(b), 3(c), and Sections 2, 3, 10, 11, 15, and 22 of paragraph 4., above, and that with respect to Sections 14 and 23 of paragraph 4., above, the drilling unit comprising Section 14 shall exclude the E $\frac{1}{2}$ SE $\frac{1}{4}$ and contain 560 acres, more or less, and the drilling unit comprising Section 23 shall exclude the NE $\frac{1}{4}$ NE $\frac{1}{4}$ and contain 600 acres, more or less.

(f) That except for Section 34, Township 1 North, Range 2 West, U.S.M., Sections 16, 17, and 18, Township 1 South, Range 1 West, U.S.M.: and the Sections described in paragraph 3(b), above, the permitted well for each drilling unit referred to in paragraph (e), above, shall be located in the center of the SW $\frac{1}{2}$ of each of the remaining Sections described in paragraphs 3(b), 3(c), and 4., above, with a tolerance of 220 feet in any direction, and that the wells located in the NE $\frac{1}{4}$ of said Sections 34, 17, and 18, in the NW $\frac{1}{2}$ SW $\frac{1}{2}$ of said Section 16, in the SE $\frac{1}{4}$ of Section 4, Township 1 South, Range 2 West, U.S.M., in the center of the W $\frac{1}{2}$ of Section 1, Township 1 South, Range 2 West, U.S.M., are hereby allowed as exceptions to the well-spacing in said 640-acre drilling units,

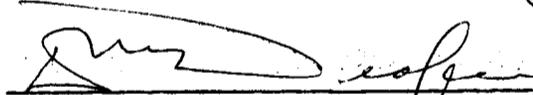
and no other well shall be permitted to produce from the interval described in paragraph 8, above, in the 640-acre drilling units comprising said Sections 1, 4, 16, 17, 18, and 34.

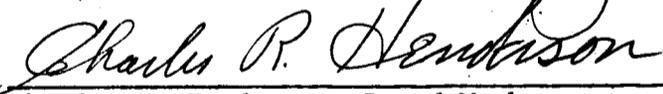
(g) That with respect to Sections 7 and 8, Township 1 South, Range 1 West, U.S.M., and Sections 2, 3, 10, 11, and 12, Township 1 South, Range 2 West, U.S.M., only one of the wells located in said Sections shall be permitted to produce from the interval described in paragraph 8, above, at any particular time, and that the determination of which such well should be produced and for what period or periods is hereby left to the discretion of the Operator; provided, however, the Operator shall, in writing, notify the Board as to which such well it elects to maintain on production and shall also so notify the Board of any change of any prior notification.

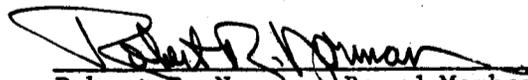
(h) That the Board retains continuing jurisdiction of all matters covered by this Order and all other applicable orders and over all parties affected thereby and particularly that the Board retains and reserves continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

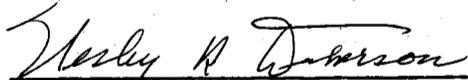
ENTERED this seventeenth day of February, 1971.

BOARD OF OIL AND GAS CONSERVATION OF
THE STATE OF UTAH


Delbert M. Draper, Jr., Chairman, Presiding


Charles R. Henderson, Board Member


Robert R. Norman, Board Member


Wesley R. Dickerson, Board Member