

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

In the Matter of the)	
application of JOE KIRN and)	
CHRISTIAN F. MURER for an)	ORDER
order vacating the 320 acre)	
drilling and spacing units)	Cause No. 137-2(B)
adopted in Cause No. 137-1)	
and establishing 160 acre)	
drilling units in lieu)	
thereof for said lands and)	
additional formations.)	

This Cause came on regularly for hearing before the Board of Oil, Gas, and Mining on Thursday, February 25, 1982, at 10:00 a.m., in Room 303 of the State Capitol in Salt Lake City, Utah, pursuant to Notice of Hearing issued by the Board on February 5, 1982. The following Board members were present:

Charles R. Henderson, Chairman

John L. Bell

E. Steel McIntyre

Edward T. Beck

Robert R. Norman

Margaret R. Bird

Herm Olsen

NOW THEREFORE, the Board, having fully considered the testimony adduced and the exhibits received at the hearing of February 25, 1982, and being fully advised in the premises, now makes and enters its Findings of Fact and Order as follows:

FINDINGS OF FACT

1. This matter came on regularly for hearing before the Board on Thursday, February 25, 1982, at 10:00 a.m., in Room 303, of the State Capitol in Salt Lake City, Utah.

2. Due and regular notice of the time, place, and purpose of this February 25, 1982 hearing was given to all interested parties in the form and manner and within the time required by law in the rules and regulations of the Board.

3. No objections were received and no appearances were made entering objections to the Application.

4. The Board of Oil, Gas, and Mining has jurisdiction over all matters covered by said Application and over all parties interested therein and has the power and authority to make and promulgate the order hereinafter set forth.

5. By order dated June 11, 1969, in Cause No. 137-1, the Board established 320 acre drilling and spacing units for the production of gas from the Mancos formation underlying lands in Carbon County, Utah, which when surveyed would conform to the following description, to-wit:

Township 15 South, Range 10 East, SLM

Section 22:S $\frac{1}{2}$	Section 28:E $\frac{1}{2}$
Section 23:S $\frac{1}{2}$	Section 33:E $\frac{1}{2}$
Section 24:S $\frac{1}{2}$	Section 34:All
Section 25:All	Section 35:All
Section 26:All	Section 36:All
Section 27:All	

6. The drilling and spacing units established by said Order conformed to the E $\frac{1}{2}$ and to the W $\frac{1}{2}$ of each governmental section, thereby creating 320 acre spacing. Only one well was permitted on each drilling or spacing unit for production of gas from the Tununk and the Mancos Formations.

7. The permitted well location was in the NE $\frac{1}{4}$ or in the SW $\frac{1}{4}$ of each section.

8. Since entry of said original Order, three wells have been drilled and completed in the Tununk Shale member of the Mancos Shale Formation.

9. Said wells have never been connected to a gas line and therefore, have never produced except for the initial testing period.

10. Geological and engineering data obtained from drilling and development operations conducted in the Miller Creek Area and from related technical studies conducted on the Miller Creek Area of Carbon County, Utah, within the area affected by this Application, indicates that 160 acre spacing for gas will adequately drain gas from the Ferron, Mancos, Dakota, and Morrison formations under the following-described lands:

Township 15 South, Range 10 East, SLM

Sections 9 thru 11:A11
Sections 13 thru 36:A11

Said lands are underlain by a common source of supply from which gas, and associated hydrocarbons can be produced from the above mentioned formations.

11. The development of production of oil and gas from said lands and intervals can be effectively achieved under authority of the Board providing for 160 acre spacing.

12. In order to permit orderly and uniform spacing and development within the Miller Creek Area, to prevent waste and to avoid the drilling of unnecessary wells, to protect correlative rights and to achieve the greatest possible economic recovery of gas, and associated hydrocarbons, further development may be had under said 160 acre spacing.

ORDER

IT IS THEREFORE ORDERED that the Order entered in Cause No. 137-1 which established 320 acre spacing in the Miller Creek Area be vacated as to the following-described lands:

Township 15 South, Range 10 East, SLM

Section 22:S $\frac{1}{2}$	Section 28:E $\frac{1}{2}$
Section 23:S $\frac{1}{2}$	Section 33:E $\frac{1}{2}$
Section 24:S $\frac{1}{2}$	Section 34:A11
Section 25:A11	Section 35:A11
Section 26:A11	Section 36:A11
Section 27:A11	

It is further ordered that:

1. 160 acre drilling and spacing units are established in lieu thereof for the development of gas production from the Ferron, Mancos, Dakota and Morrison Formations underlying the following described acreage situated in Carbon County, Utah:

Township 15 South, Range 10 East, SLBM

Sections 9 thru 11 - All
Sections 13 thru 36 - All

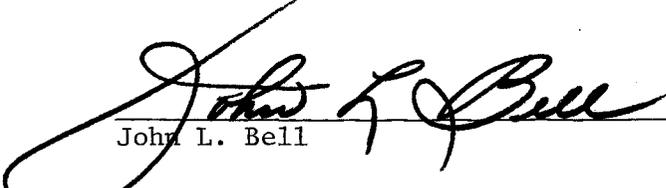
and that all future wells be drilled no closer than 1,000 feet from the drilling unit boundary.

2. The Board retains controlling jurisdiction over all matters covered by this Order and all other applicable orders and over all parties affected thereby and retains and reserves continuing jurisdiction to make further orders as it deems appropriate and as authorized by the statutes and applicable regulations.

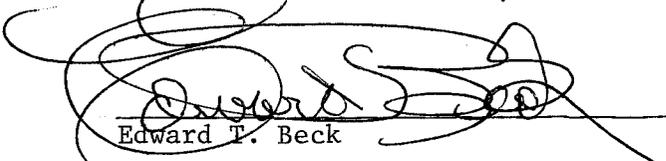
Entered this 25th day of February, 1982.

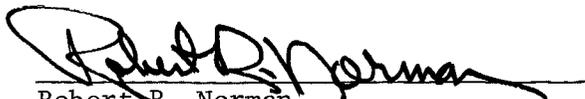
BOARD OF OIL, GAS, AND MINING


Charles R. Henderson, Chairman


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Herm Olsen

1400 feet in tight formations in the Tununk Shale which is a part of the Mancos formation.

4. That one well will not efficiently drain 640 acres but may efficiently drain 320 acres in the reservoir as found and underlying the subject area.

5. That three hundred twenty-acre drilling and spacing units for the subject 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 subject unit for the producing of gas from the Tununk formation.

CONCLUSIONS OF LAW

1. That the Commission has jurisdiction over the subject matter of this cause, over the lessees and operations in the area involved.

2. That notice of hearing in this cause was duly given in all respects as required by law.

3. That the application of Dan H. Hunter for the issuance by this Commission of an Order establishing 320-acre drilling and spacing units should be granted.

ORDER

IT IS THEREFORE ORDERED, by this Commission as follows:

1. That three hundred twenty-acre drilling and spacing units be and the same are hereby established for the production of gas from the Tununk Formation and the Mancos Shale and any transition zones at a stratigraphic depth of not greater than 1400 feet underlying the following described area:

<u>Township 15 South, Range 10 East, SLBM</u>	
Sec. 22: S 1/2	Sec. 28: E 1/2
Sec. 23: S 1/2	Sec. 33: E 1/2
Sec. 24: S 1/2	Sec. 34: All
Sec. 25: All	Sec. 35: All
Sec. 26: All	Sec. 36: All
Sec. 27: All	

2. That the drilling and spacing units for the subject area shall be formed by dividing each governmental section into

two units to consist respectively of the east half of such section and the west half of such section.

3. That no more than one well shall be drilled on any drilling and spacing unit for the production of gas from the Tununk Formation aforesaid.

4. That the permitted well for each drilling and spacing unit shall be located as far as practicable in the center of the Northeast quarter and in the center of the Southwest quarter of each section considering topographic and geological conditions; 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 section specified hereunder as the situs for the permitted well.

5. 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 within any hereby established drilling or spacing units.

6. That this Order shall be effective forthwith; and

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

Dated this 11th day of June, 1969.

By Order of

THE OIL AND GAS CONSERVATION COMM.

OF THE STATE OF UTAH

