

CAUSE NO. 220-1/DOCKET NO. 90-001

IN THE MATTER OF THE REQUEST FOR  
AGENCY ACTION OF ANDERSON  
EXPLORATION COMPANY FOR AN ORDER  
ESTABLISHING 320 ACRE  
DRILLING/SPACING UNITS FOR THE  
PRODUCTION OF GAS FROM THE PRICE  
RIVER, CASTLEGATE, BLACKHAWK AND  
STARPOINT FORMATIONS UNDERLYING  
CERTAIN LANDS LOCATED IN  
TOWNSHIPS 12 AND 13 SOUTH, RANGE  
9 EAST, SLB&M, CARBON COUNTY,  
UTAH

ORDERS INDEX

<u>ORDER #</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	5/14/90	Order

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June 10, 1991

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

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In the Matter of the Request :  
for Agency Action of Anderson :  
Exploration Company for an : O R D E R  
Order Establishing 320 Acre :  
Drilling/Spacing Units for :  
the Production of Gas from : Docket No. 90-001  
the Price River, Castlegate, :  
Blackhawk and Starpoint : Cause No. 220-1  
Formations Underlying Certain :  
Lands Located in Townships 12 :  
and 13 South, Range 9 East, :  
SLB&M, Carbon County, Utah.

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This matter was heard before the Board of Oil, Gas and Mining at its regularly scheduled meeting at 10:00 a.m. on January 25, 1990, in the Board Room of the Department of Natural Resources, 355 West North Temple, 3 Triad Center, Salt Lake City, Utah. The following Board Members, constituting a quorum, were present and participated in the hearing and the decision embodied herein:

Gregory P. Williams, Chairman  
James W. Carter  
John M. Garr  
E. Steele McIntyre  
Kent G. Stringham  
Judy F. Lever

The Board of Oil, Gas and Mining was represented by Barbara W. Roberts, Assistant Attorney General.

Members of the Division of Oil, Gas and Mining present at and participating in the hearing included:

Dr. Dianne R. Nielson, Director  
Ronald J. Firth, Associate Director, Oil & Gas  
John R. Baza, Petroleum Engineer  
Lowell P. Braxton, Associate Director, Mining  
Brad Hill, Geologist

The Utah State Office, Bureau of Land Management, Salt Lake City, was represented by Assad Raffoul and Robert Henricks.

The following appeared at the Hearing:

Anderson Exploration Company

By: Alan A. Enke, Esq.  
RAY, QUINNEY & NEBEKER  
Salt Lake City, Utah

Testimony was received from, and exhibits were introduced on behalf of Anderson Exploration Company by John R. Anderson, President of Anderson Exploration Company and Archie D. Smith, an independent Coal Geologist. There were no appearances in opposition to the application.

The Board, having considered the testimony, exhibits, and evidence presented and the statements made by the participants at the hearing, now makes and enters the following:

FINDINGS OF FACT

1. On January 5, 1990, Anderson Exploration Company, submitted this Request for Agency Action requesting an Order establishing 320 acre drilling and spacing units for the production of gas from the Price River, Castlegate, Blackhawk and Starpoint Formations underlying the following described lands located in Carbon County, Utah:

Township 12 South, Range 9 East, SL&M

Sections 15, 16, 17, 20-29, and 32-36

Township 13 South, Range 9 East, SL&M

Sections 1-5

2. The Request for Agency Action was filed together with Motion for Deviation from Procedural Rules in order to have the hearing held at the regularly scheduled meeting of the Board in January, 1990.

3. Anderson Exploration Company has exploration rights to the gas and liquid hydrocarbons from the Price River, Castlegate, Blackhawk and Starpoint Formations in portions of the above-described lands.

4. Anderson Exploration Company has proposed a drilling program for the production of methane gas which is found in the coal seams underlying the above-described lands.

### CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and subject matter of this hearing in Cause No. 220-1 was given to all interested persons in accordance with the applicable law, and with the rules, practices and orders of the Board pertaining to this matter.

2. The Petition of Anderson Exploration Company in this matter was properly before the Board at the hearing, and the Board has jurisdiction over the matters contained therein.

3. The establishment of 320 acres drilling and spacing units is necessary in order to prevent the waste of oil and gas, to protect the correlative rights of all parties concerned, to prevent the drilling of unnecessary wells, and to insure proper and sufficient development and to promote conservation of the oil and gas resources in the State of Utah.

### ORDER

IT IS HEREBY ORDERED THAT:

1. The application as filed by Anderson Exploration Company, requesting agency action for an order establishing 320 acre drilling and spacing units for the production of gas from the Price River, Castlegate, Blackhawk and Starpoint Formations underlying the above-described lands in Carbon County, Utah is hereby granted.

2. The 320 acre drilling and spacing units should consist of the E $\frac{1}{4}$  and W $\frac{1}{4}$  of each section with the permitted well located in the NW $\frac{1}{4}$  and the SE $\frac{1}{4}$  no closer than 500 feet from the boundaries of each quarter section, provided, however, that the Director will be empowered to grant administrative exceptions pursuant to Rule R615-3-3, Oil and Gas Conservation General Rules, as to well locations due to geological, topographical, cultural or other considerations when such exceptions are warranted.

3. No drilling in the area encompassed in this Order shall be allowed until a public hearing has been held by this Board pursuant to the rules and regulations established by the State of Utah for Multiple Minerals Development, taking into account the rights of existing production and leasehold rights for coal and other minerals in the area.

4. This Order for the establishment of the 320 acre drilling and spacing units expires on January 25, 1992, except as to those units in which there is a producing oil or gas well.

ENTERED this 14<sup>th</sup> day of <sup>May</sup>~~February~~, 1990.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

By:   
Gregory P. Williams, Chairman

APPROVED AS TO FORM:

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Barbara Roberts  
Assistant Attorney General