

CAUSE NO. 4

OCTOBER 6, 1956

Application for Establishment of Drilling Units for Bar X-Anticline Area, Grand County, Utah, filed by the American Metal Company, Ltd. and Frontier Refining Company.

Hearing set for 10:00 a.m., November 20, 1956, in the Gov. Brd. Rm.

OCTOBER 12, 1956

Letter from Sinclair Oil & Gas Company in support of application.

DECEMBER 5, 1956

ORDER BY COMMISSION establishing drilling units between 480 and 560 Acres.

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

.....
:
IN THE MATTER OF THE APPLICATION
OF THE AMERICAN METAL COMPANY, :
LIMITED, a corporation, and THE
FRONTIER REFINING COMPANY, a : ORDER
corporation, FOR AN ORDER ESTAB-
LISHING DRILLING UNITS FOR THE : Cause No. 4
BAR X ANTICLINE AREA, GRAND
COUNTY, UTAH :
.....

The Commission having considered the report of the Referee,
Commissioner Herbert F. Smart, in the above matter, and having examined
the record in this proceeding,

IT IS HEREBY ORDERED that the Recommended Findings of Fact and
Conclusions of Law of the Referee on file herein be and they are hereby
adopted as the Findings and Conclusions of the Oil and Gas Conservation
Commission.

IT IS FURTHER ORDERED that the following rules and regulations
shall apply to wells heretofore and hereafter drilled and completed or
recompleted in the Bar X Anticline Area, as herein defined, in addition
to other applicable rules, regulations and orders of the Commission,
if any, heretofore adopted and not in conflict herewith.

Field Rule 3-4. The Bar X Anticline Area, as herein defined, is hereby
divided into 5 zones, which contain the acreage indicated therein, to-wit:

Zone 1

- Section 4: Lots 1,2,3 and 4; Twp. 17 S, R. 26 E,
S1EM
- Section 5: All; Twp. 17 S, R. 26 E, S1EM
- Section 6: Lots 1,2,3 and 4; S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S,
R. 26 E, S1EM
- Section 8: N $\frac{1}{2}$; Twp. 17 S, R. 26 E, S1EM
- Section 9: Lots 1 and 2; Twp. 17 S, R. 26 E, S1EM
- Section 1: Lots 1,2,3 and 4; S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S,
R. 25 E, S1EM

Zone 2

- Section 2: All; Twp. 17 S, R. 25 E, S1EM
- Section 3: All; Twp. 17 S, R. 25 E, S1EM
- Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S, R. 25 E,
S1EM

Zone 3

- Section 9: E $\frac{1}{2}$, Twp. 17 S, R. 25 E, S1EM
- Section 10: All; Twp. 17 S, R. 25 E, S1EM

Section 14: All; Twp. 17 S, R. 25 E, S1/2EM
Section 15: All; Twp. 17 S, R. 25 E, S1/2EM
Section 16: E1/2E1/2; Twp. 17 S, R. 25 E, S1/2EM

Zone 4

Section 13: S1/2NW1/4, S1/2; Twp. 17 S, R. 25 E, S1/2EM
Section 24: N1/2W1/4, S1/2NE1/4; Twp. 17 S, R. 25 E, S1/2EM
Section 18: S1/2SW1/4; Twp. 17 S, R. 26 E, S1/2EM
Section 19: NW1/4, N1/2SW1/4; Twp. 17 S, R. 26 E, S1/2EM

Zone 5

Section 16: Lot 4; Twp. 17 S, R. 26 E, S1/2EM
Section 17: S1/2S1/2; Twp. 17 S, R. 26 E, S1/2EM
Section 18: S1/2SW1/4; Twp. 17 S, R. 26 E, S1/2EM
Section 19: NE1/4, N1/2SE1/4; Twp. 17 S, R. 26 E, S1/2EM
Section 20: N1/2, N1/2S1/2; Twp. 17 S, R. 26 E, S1/2EM
Section 21: Lot 1,2,3; Twp. 17 S, R. 26 E, S1/2EM

Field Rule 4-4. Drilling units shall be and the same are hereby established for each zone, as follows, to-wit:

ZONE 1

Drilling Unit No. 1 shall consist of the following described acreage:

Section 4: Lot 4; Twp. 17 S, R. 26 E, S1/2EM
Section 5: S1/2S1/2; Twp. 17 S, R. 26 E, S1/2EM
Section 8: N1/2; Twp. 17 S, R. 26 E, S1/2EM
Section 9: Lots 1 and 2; Twp. 17 S, R. 26 E, S1/2EM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 4: Lots 1,2 and 3; Twp. 17 S, R. 26 E, S1/2EM
Section 5: Lots 1,2,3 and 4; S1/2NW1/4, N1/2S1/2; Twp. 17 S, R. 26 E, S1/2EM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 6: Lots 1,2,3 and 4; S1/2NW1/4, N1/2S1/2; Twp. 17 S, R. 26 E, S1/2EM

Drilling Unit No. 4 shall consist of the following described acreage:

Section 1: Lots 1,2,3 and 4; S1/2NW1/4, N1/2S1/2; Twp. 17 S, R. 25 E, S1/2EM

ZONE 2

Drilling Unit No. 1 shall consist of the following described acreage:

Section 2: Lots 1,2 and 3; S1/2NE1/4, SE1/4, E1/2SW1/4, SE1/4NW1/4; Twp. 17 S, R. 25 E, S1/2EM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 2: Lot 4, SW1/4 NW1/4, W1/2SW1/4; Twp. 17 S, R. 25 E, S1/2EM
Section 3: Lots 1 and 2, S1/2NE1/4, SE1/4; Twp. 17 S, R. 25 E, S1/2EM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 3: Lots 3 and 4, S1/2NW1/4, SW1/4; Twp. 17 S, R. 25 E, S1/2EM
Section 4: Lot 1, SE1/4NE1/4, E1/2SE1/4; Twp. 17 S, R. 25 E, S1/2EM

ZONE 3

Drilling Unit No. 1 shall consist of the following described acreage:

Section 9: E1/2; Twp. 17 S, R. 25 E, S1/2EM
Section 10: W1/2W1/2; Twp. 17 S, R. 25 E, S1/2EM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 10: $E\frac{1}{2}E\frac{1}{2}, E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 16: $E\frac{1}{2}E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Section 15: $W\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 4 shall consist of the following described acreage:

Section 15: $E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Section 14: $W\frac{1}{2}W\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 5 shall consist of the following described acreage:

Section 14: $E\frac{1}{2}W\frac{1}{2}, E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

ZONE 4

Drilling Unit No. 1 shall consist of the following described acreage:

Section 13: $S\frac{1}{2}NW\frac{1}{2}, SW\frac{1}{2}, W\frac{1}{2}SE\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Section 24: $N\frac{1}{2}NW\frac{1}{2}, W\frac{1}{2}NE\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 13: $E\frac{1}{2}SE\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Section 24: $E\frac{1}{2}NE\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEM

Section 18: $S\frac{1}{2}SW\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Section 19: $NW\frac{1}{2}, N\frac{1}{2}SW\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

ZONE 5

Drilling Unit No. 1 shall consist of the following described acreage:

Section 17: $SW\frac{1}{2}SW\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Section 18: $S\frac{1}{2}SE\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Section 19: $NE\frac{1}{2}, N\frac{1}{2}SE\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Section 20: $W\frac{1}{2}NW\frac{1}{2}, NW\frac{1}{2}SW\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 16: Lot 6; Twp. 17 S, R. 26 E, SLEM

Section 17: $SE\frac{1}{2}SW\frac{1}{2}, S\frac{1}{2}SE\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Section 20: $E\frac{1}{2}NW\frac{1}{2}, NE\frac{1}{2}, NE\frac{1}{2}SW\frac{1}{2}, N\frac{1}{2}SE\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEM

Section 21: Lots 1, 2 and 3; Twp. 17 S, R. 26 E, SLEM

Field Rule 5-4. On each drilling unit, as heretofore described, one well may be completed or recompleted into two or more of the producing zones or horizons as a multiple completion, or as an alternative, one well may be completed or recompleted into any one of the producing zones or horizons as a single completion, provided, no more than one well shall produce from the same horizon in each drilling unit.

Field Rule 6-4. The B. W. Hancock Well No. Federal 1 is designated as the drilling unit well for Drilling Unit 2 of Zone 2 for the zones or horizons from which it is producing, and The American Metal Company Well No. Government (Linney) 1 is designated as the drilling unit well for Drilling Unit 3 of Zone 3 for the zones or horizon from which it is producing.

Field Rule 7-4. No well or wells shall be drilled and completed or re-completed in Zones 1, 2, 3, 4 and 5, and no notice of intention to drill shall be approved by the Commission unless:

(a) Such well or wells be located on one of the heretofore designated drilling units on which no other well is completed or approved for completion in the same producing zone or horizon.

(b) Such well or wells to be drilled no closer than 1320 feet from the drilling unit boundary.

IT IS FURTHER ORDERED, that the rules and regulations contained herein shall become effective forthwith, and henceforth the commencement of the drilling of any well or wells in the Bar X Anticline Area, as defined herein, for the purpose of producing gas therefrom at a location other than authorized by this Order, is hereby prohibited.

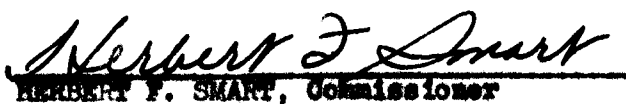
IT IS FURTHER ORDERED, that the Commission expressly reserves its right, after notice and hearing, to alter, amend, or repeal any and/or all of the above rules and regulations.

ORDERED this 5th day of December, 1956.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH


D. H. WITTENBURG, Chairman


T. S. CURTIS, Commissioner


HERBERT F. SMART, Commissioner

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

.....
:

IN THE MATTER OF THE APPLICATION :

OF THE AMERICAN METAL COMPANY, :

LIMITED, a corporation, and THE :

FRONTIER REFINING COMPANY, a :

corporation, FOR AN ORDER ESTAB- :

LISHING DRILLING UNITS FOR THE :

BAR X ANTICLINE AREA, GRAND :

COUNTY, UTAH :

O R D E R

Cause No. 4

.....:.....

The Commission having considered the report of the Referee,
Commissioner Herbert F. Smart, in the above matter, and having examined
the record in this proceeding,

IT IS HEREBY ORDERED that the Recommended Findings of Fact and
Conclusions of Law of the Referee on file herein be and they are hereby
adopted as the Findings and Conclusions of the Oil and Gas Conservation
Commission.

IT IS FURTHER ORDERED that the following rules and regulations
shall apply to wells heretofore and hereafter drilled and completed or
recompleted in the Bar X Anticline Area, as herein defined, in addition
to other applicable rules, regulations and orders of the Commission,
if any, heretofore adopted and not in conflict herewith.

Field Rule 3-4. The Bar X Anticline Area, as herein defined, is hereby
divided into 5 zones, which contain the acreage indicated therein, to-wit:

Zone 1

- Section 4: Lots 1,2,3 and 4; Twp. 17 S, R. 26 E, S1EM
- Section 5: All; Twp. 17 S, R. 26 E, S1EM
- Section 6: Lots 1,2,3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S, R. 26 E, S1EM
- Section 8: N $\frac{1}{2}$; Twp. 17 S, R. 26 E, S1EM
- Section 9: Lots 1 and 2; Twp. 17 S, R. 26 E, S1EM
- Section 1: Lots 1,2,3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S, R. 25 E, S1EM

Zone 2

- Section 2: All; Twp. 17 S, R. 25 E, S1EM
- Section 3: All; Twp. 17 S, R. 25 E, S1EM
- Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S, R. 25 E, S1EM

Zone 3

- Section 9: E $\frac{1}{2}$, Twp. 17 S, R. 25 E, S1EM
- Section 10: All; Twp. 17 S, R. 25 E, S1EM

Section 14: All; Twp. 17 S, R. 25 E, SLEB
Section 15: All; Twp. 17 S, R. 25 E, SLEB
Section 16: $E\frac{1}{2}E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEB

Zone 4

Section 13: $S\frac{1}{2}NW\frac{1}{4}$, $S\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEB
Section 24: $N\frac{1}{2}N\frac{1}{2}$, $S\frac{1}{2}NE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLEB
Section 18: $S\frac{1}{2}SW\frac{1}{4}$; Twp. 17 S, R. 26 E, SLEB
Section 19: $NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$; Twp. 17 S, R. 26 E, SLEB

Zone 5

Section 17: $S\frac{1}{2}S\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEB
Section 18: $S\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 26 E, SLEB
Section 19: $NE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 26 E, SLEB
Section 20: $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEB
Section 21: Lot 1,2,3; Twp. 17 S, R. 26 E, SLEB

Field Rule 4-4. Drilling Units shall be and the same are hereby established for each zone, as follows, to-wit:

ZONE 1

Drilling Unit No. 1 shall consist of the following described acreage:

Section 4: Lot 4; Twp. 17 S, R. 26 E, SLEB
Section 5: $S\frac{1}{2}S\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEB
Section 8: $N\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEB
Section 9: Lots 1 and 2; Twp. 17 S, R. 26 E, SLEB

Drilling Unit No. 2 shall consist of the following described acreage:

Section 4: Lots 1,2 and 3; Twp. 17 S, R. 26 E, SLEB
Section 5: Lots 1,2,3 and 4; $S\frac{1}{2}N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEB

Drilling Unit No. 3 shall consist of the following described acreage:

Section 6: Lots 1,2,3 and 4; $S\frac{1}{2}N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$; Twp. 17 S, R. 26 E, SLEB

Drilling Unit No. 4 shall consist of the following described acreage:

Section 1: Lots 1,2,3 and 4; $S\frac{1}{2}N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEB

ZONE 2

Drilling Unit No. 1 shall consist of the following described acreage:

Section 2: Lots 1,2 and 3; $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$, $E\frac{1}{2}SW\frac{1}{4}$, $SE\frac{1}{4}NW\frac{1}{4}$; Twp. 17 S, R. 25 E, SLEB

Drilling Unit No. 2 shall consist of the following described acreage:

Section 2: Lot 4, $SW\frac{1}{4}NW\frac{1}{4}$, $W\frac{1}{2}SW\frac{1}{4}$; Twp. 17 S, R. 25 E, SLEB
Section 3: Lots 1 and 2, $S\frac{1}{2}NE\frac{1}{4}$, $SE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLEB

Drilling Unit No. 3 shall consist of the following described acreage:

Section 3: Lots 3 and 4, $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$; Twp. 17 S, R. 25 E, SLEB
Section 4: Lot 1, $SE\frac{1}{4}NE\frac{1}{4}$, $E\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLEB

ZONE 3

Drilling Unit No. 1 shall consist of the following described acreage:

Section 9: $E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEB
Section 10: $W\frac{1}{2}W\frac{1}{2}$; Twp. 17 S, R. 25 E, SLEB

Drilling Unit No. 2 shall consist of the following described acreage:

Section 10: $E\frac{1}{2}E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLBM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 16: $E\frac{1}{2}E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLBM

Section 15: $W\frac{1}{2}$; Twp. 17 S, R. 25 E, SLBM

Drilling Unit No. 4 shall consist of the following described acreage:

Section 15: $E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLBM

Section 14: $W\frac{1}{2}W\frac{1}{2}$; Twp. 17 S, R. 25 E, SLBM

Drilling Unit No. 5 shall consist of the following described acreage:

Section 14: $E\frac{1}{2}W\frac{1}{2}$, $E\frac{1}{2}$; Twp. 17 S, R. 25 E, SLBM

ZONE 4

Drilling Unit No. 1 shall consist of the following described acreage:

Section 13: $S\frac{1}{2}NW\frac{1}{4}$, $SW\frac{1}{4}$, $W\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLBM

Section 24: $N\frac{1}{2}NW\frac{1}{4}$, $W\frac{1}{2}NE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 13: $E\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLBM

Section 24: $E\frac{1}{2}NE\frac{1}{4}$; Twp. 17 S, R. 25 E, SLBM

Section 18: $S\frac{1}{2}SW\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Section 19: $NW\frac{1}{4}$, $N\frac{1}{2}SW\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

ZONE 5

Drilling Unit No. 1 shall consist of the following described acreage:

Section 17: $SW\frac{1}{4}SW\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Section 18: $S\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Section 19: $NE\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Section 20: $W\frac{1}{2}NW\frac{1}{4}$, $NW\frac{1}{4}SW\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 16: Lot 4; Twp. 17 S, R. 26 E, SLBM

Section 17: $SE\frac{1}{4}SW\frac{1}{4}$; $S\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Section 20: $E\frac{1}{2}NW\frac{1}{4}$, $NE\frac{1}{4}$, $NE\frac{1}{4}SW\frac{1}{4}$, $N\frac{1}{2}SE\frac{1}{4}$; Twp. 17 S, R. 26 E, SLBM

Section 21: Lots 1, 2 and 3; Twp. 17 S, R. 26 E, SLBM

Field Rule 5-4. On each drilling unit, as heretofore described, one well may be completed or recompleted into two or more of the producing zones or horizons as a multiple completion, or as an alternative, one well may be completed or recompleted into any one of the producing zones or horizons as a single completion, provided, no more than one well shall produce from the same horizon in each drilling unit.

Field Rule 6-4. The B. W. Hancock Well No. Federal 1 is designated as the drilling unit well for Drilling Unit 2 of Zone 2 for the zones or horizons from which it is producing, and The American Metal Company Well No. Government (Linney) 1 is designated as the drilling unit well for Drilling Unit 3 of Zone 3 for the zones or horizon from which it is producing.

Field Rule 7-4. No well or wells shall be drilled and completed or re-completed in Zones 1, 2, 3, 4 and 5, and no notice of intention to drill shall be approved by the Commission unless:

(a) Such well or wells be located on one of the heretofore designated drilling units on which no other well is completed or approved for completion in the same producing zone or horizon.

(b) Such well or wells to be drilled no closer than 1320 feet from the drilling unit boundary.

IT IS FURTHER ORDERED, that the rules and regulations contained herein shall become effective forthwith, and henceforth the commencement of the drilling of any well or wells in the Bar X Anticline Area, as defined herein, for the purpose of producing gas therefrom at a location other than authorized by this Order, is hereby prohibited.

IT IS FURTHER ORDERED, that the Commission expressly reserves its right, after notice and hearing, to alter, amend, or repeal any and/or all of the above rules and regulations.

ORDERED this 5th day of December, 1956.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH


D. H. WHITTENBURG, Chairman


T. S. CURTIS, Commissioner


HERBERT F. SMART, Commissioner

CAUSE NO. 4

LIST OF EXHIBITS PRESENTED IN CAUSE NO. 4

AMERICAN CLIMAX

| <u>Exhibit No.</u> | <u>Representation</u> |
|--------------------|--|
| 1 | Map - Subsurface Structure of the Bar X Area |
| 2 | Lease Map - Bar X Area. |

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

.....
:
IN THE MATTER OF THE APPLICATION
OF THE AMERICAN METAL COMPANY,
LIMITED, a corporation, and THE
FRONTIER REFINING COMPANY, a
corporation, FOR AN ORDER ESTAB-
LISHING DRILLING UNITS FOR THE
BAR X ANTICLINE AREA, GRAND
COUNTY, UTAH :
:
RECOMMENDED FINDINGS OF FACT
and
CONCLUSIONS OF LAW
Cause No. 4
.....

REPORT OF THE REFEREE

This cause came on for hearing before Commissioner Herbert F. Smart, sitting as a Referee, on Tuesday, November 20, 1956, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah, as a result of a Petition filed on behalf of The American Metal Company, Ltd., a New York corporation, and The Frontier Refining Company, a Wyoming corporation, both duly authorized to do business in the State of Utah.

F I N D I N G S

The Referee 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.
2. That the Commission has jurisdiction over the subject matter embraced in said notice and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
3. That gas is being produced in the Bar X Anticline Area from the Dakota-Upper Morrison, the Salt Wash, and the Entrada Formations.
4. That all available geological and engineering data indicate the presence of several zones each containing a single pool underlying the Bar X Anticline Area and that each such pool constitutes an underground reservoir containing a common accumulation of gas underlying the following described lands in Grand County, Utah, to-wit:

Township 17 South, Range 25 East, S.L.M.
Section 1: Lots 1,2,3 and 4;
 S₂¹N₂¹, N₂¹S₂¹;
Section 2: All;

Section 3: All;
 Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$
 Section 9: E $\frac{1}{2}$
 Section 10: All;
 Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$
 Section 14: All;
 Section 15: All;
 Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$;
 Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$

Township 17 South, Range 26 East, S.L.M.

Section 4: Lots 1, 2, 3 and 4;
 Section 5: All;
 Section 6: Lots 1, 2, 3 and 4,
 S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 8: N $\frac{1}{2}$;
 Section 9: Lots 1 and 2;
 Section 17: S $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 18: S $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 19: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 20: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 21: Lots 1, 2 and 3.

5. That one well will adequately drain all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 surface acres is the maximum area that may be drained efficiently and economically by one well.

6. That the great majority of operators in the Bar X Anticline Area are of the opinion that one well will adequately drain, in accordance with good conservation practice, all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 acres is the maximum area that may be drained efficiently and economically by one well.

7. That, because of the Bar X Unit and the odd acreage lots on the north and east of said area, it is impracticable as well as impossible to establish drilling units of 640 acres or thereabouts which will satisfy the statutory requirement of uniform size and shape.

8. That drilling units between 480 and 550 surface acres can be established which will fulfill the statutory requirements.

C O N C L U S I O N

1. That in order to avoid the drilling of unnecessary wells; to protect the correlative rights of all parties concerned; to insure the proper and efficient development; and to promote conservation of the gas resources of the State, an order should be made establishing drilling

units for the production of gas from each of the heretofore mentioned common sources of supply underlying said land as defined herein.

2. That drilling units of not less than 480 or more than 550 surface acres be established.

3. That the area be divided into zones to facilitate the establishment of drilling units.


HERBERT F. SMART, Commissioner and Referee

Dated:

December 5, 1956.

BEFORE THE OIL AND GAS CONSERVATION COMMISSION

OF THE STATE OF UTAH

.....

| | | |
|--|---|------------------------------|
| IN THE MATTER OF THE APPLICATION | : | |
| OF THE AMERICAN METAL COMPANY, | : | |
| LIMITED, <u>a corporation</u> , and THE | : | RECOMMENDED FINDINGS OF FACT |
| FRONTIER REFINING COMPANY, <u>a</u> | : | |
| <u>corporation</u> , FOR AN ORDER ESTAB- | : | and |
| LISHING DRILLING UNITS FOR THE | : | |
| BAR X ANTICLINE AREA, GRAND | : | CONCLUSIONS OF LAW |
| COUNTY, UTAH | : | Cause No. 4 |

.....

REPORT OF THE REFEREE

This cause came on for hearing before Commissioner Herbert F. Smart, sitting as a Referee, on Tuesday, November 20, 1956, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah, as a result of a Petition filed on behalf of The American Metal Company, Ltd., a New York corporation, and The Frontier Refining Company, a Wyoming corporation, both duly authorized to do business in the State of Utah.

F I N D I N G S

The Referee 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.
2. That the Commission has jurisdiction over the subject matter embraced in said notice and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
3. That gas is being produced in the Bar X Anticline Area from the Dakota-Upper Morrison, the Salt Wash, and the Entrada Formations.
4. That all available geological and engineering data indicate the presence of several zones each containing a single pool underlying the Bar X Anticline Area and that each pool constitutes an underground reservoir containing a common accumulation of gas underlying the following described lands in Grand County, Utah; to-wit:

Township 17 South, Range 25 East, S.L.M.
 Section 1: Lots 1, 2, 3, and 4;
 S $\frac{1}{2}$ T $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 2: All

Section 3: All
Section 4: Lot 1, Se $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Section 9: E $\frac{1}{2}$;
Section 10: All
Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Section 14: All
Section 15: All
Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$;
Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$;

Township 17 South, Range 26 East, S.L.M.

Section 4: Lots 1, 2, 3, and 4;
Section 5: All
Section 6: Lots 1, 2, 3, and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
Section 9: Lots 1 and 2;
Section 8: N $\frac{1}{2}$;
Section 17: S $\frac{1}{2}$ S $\frac{1}{2}$;
Section 18: S $\frac{1}{2}$ S $\frac{1}{2}$;
Section 19: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
Section 20: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
Section 21: Lots 1, 2 and 3;

5. That one well will adequately drain all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 surface acres is the maximum area that may be drained efficiently and economically by one well.

6. That the great majority of operators in the Bar X Anticline Area are of the opinion that one well will adequately drain, in accordance with good conservation practice, all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 acres is the maximum area that may be drained efficiently and economically by one well.

7. That, because of the Bar X Unit and the odd acreage lots on the north and east of said area, it is impracticable as well as impossible to establish drilling units of 640 acres or thereabouts which will satisfy the statutory requirement of uniform size and shape.

8. That drilling units between 480 and 550 surface acres can be established which will fulfill the statutory requirements.

C O N C L U S I O N

1. That in order to avoid the drilling of unnecessary wells; to protect the correlative rights of all parties concerned; to insure the proper and efficient development; and to promote conservation of the gas resources of the State, an order should be made establishing drilling units for the production of gas from each of the heretofore mentioned common sources of supply underlying said land as defined herein.

2. That drilling units of not less than 480 or more than 550 surface acres be established.

3. That the area be divided into zones to facilitate the establishment of drilling units.

/s/ Herbert F. Smart
HERBERT F. SMART, Commissioner and
Referee

Dated:

December 5, 1956.