

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

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IN THE MATTER OF THE APPLI-	:	ORDER
CATION OF FOSSIL FUEL, INC.,	:	
FOR AN ORDER ESTABLISHING	:	DOCKET NO. 84-004
DRILLING AND SPACING UNITS	:	CAUSE NO. 7-12
FOR LANDS IN THE FERRON	:	
AREA INCLUDING SECTION 2,	:	
TOWNSHIP 20 SOUTH, RANGE 7	:	
EAST, EMERY COUNTY, UTAH	:	

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Pursuant to the Application of Fossil Fuel, Inc., this cause came on for consideration by the Board of Oil, Gas and Mining on Friday, March 23, 1984, in the Auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah.

The following members of the Board were present and participating:

Gregory P. Williams, Chairman
James W. Carter
John M. Garr
Charles R. Henderson
Richard B. Larsen
Constance K. Lundberg

Also present and participating in the hearing were:

Dianne R. Nielson, Director
Ronald W. Daniels, Associate Director, Mining
Ronald J. Firth, Associate Director, Oil & Gas
Barbara W. Roberts, Assistant Attorney General, State of Utah
Ray Kerns, Geologist, Chief Petroleum Section, Utah Geological & Mineral Survey
Keith Clem, Geologist, Utah Geological & Mineral Survey

Also addressing the Board was Carolyn Driscoll, Attorney at Law, representing F-L Energy Corporation. A letter from Mountain Resources Corporation was introduced supporting the Application. It was also represented by counsel for the Applicant, that Husky Oil Company and Mountain Fuel Supply Company supported the Application.

FINDINGS OF FACT

The Board, having considered the testimony and evidence adduced, now makes and enters the following Findings of Fact:

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 Application and over all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board's Order in Cause No. 7, entered on December 13, 1957, established 320-acre drilling and spacing units for the Ferron sandstone member of the Mancos formation underlying certain lands in Townships 20 and 21 South, Ranges 7 and 8 East, Emery County, Utah.

4. The Board's Order in Cause No. 7-11(A), dated August 26, 1983, vacated the Order of Cause No. 7 with respect to the following lands:

Township 21 South, Range 7 East, S.L.M.

Section 3:	All
Section 4:	All
Section 5:	All
Section 7:	E1/2
Section 8:	All
Section 9:	All
Section 10:	All
Section 16:	All
Section 17:	All
Section 18:	E1/2

The above described lands were spaced on the basis of 160-acres, each unit to comprise a quarter section of each surveyed governmental section, for the drilling of gas wells in the Ferron sandstone member of the Mancos formation.

5. Gas production from the Ferron sandstone in these spaced areas comes from shallow low pressure wells which produce from small, discontinuous lenticular sands.

6. The lenticular sands of the Ferron sandstone underlying the N/2 of Section 2, Township 20 South, Range 7 East, are a continuation and part of the Ferron stratigraphic pool for this area.

7. In order to more efficiently and economically recover available gas reserves, and pursuant to information obtained from drilling and production, it is indicated that the proper drilling and spacing for this pool underlying the N/2 of Section 2, Township 20 South, Range 7 East, should be 160-acres, each consisting of the quarter section of the surveyed governmental sections.

ORDER

NOW, THEREFORE, the Board, in accordance with the testimony and exhibits received at the hearing, and in conformity with the Findings of Fact above, and being fully advised in the premises, now makes and enters the following Order:

1. The Order in Cause No. 7-11(A), dated August 26, 1983, which established 160-acre drilling and spacing units for the Ferron sandstone, is hereby amended to include the following lands:

Township 20 South, Range 7 East, S.L.M.

Section 2: N/2

2. The lands above are hereby spaced on the basis of 160-acres, each unit to comprise a quarter section of each surveyed governmental section, for the drilling of gas wells in the Ferron sandstone member of the Mancos formation.

3. No wells shall be located closer than 660 feet from the boundary of the drilling and spacing unit, provided, however, that exception locations may be permitted by administrative approval for topographic considerations upon application by the operator.

4. The presently drilled Sorenson 1-2 Well, NW1/4 NE1/4 Section 2, Township 20 South, Range 7 East, S.L.M., will be the permitted well location for the drilling and spacing unit with respect to the NE/4 of Section 2.

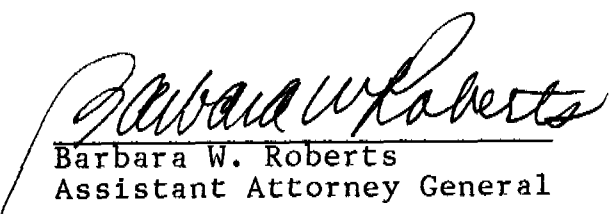
5. The Board retains continuing jurisdiction with respect to the parties and all matters covered by this Order.

DATED this 26th day of April, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Gregory P. Williams, Chairman

APPROVED AS TO FORM:


Barbara W. Roberts
Assistant Attorney General