

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

.....
: IN THE MATTER OF THE APPLICATION OF
: AMERICAN PETROFINA, INC., a Delaware
: corporation, and ENGLISH OIL COMPANY,
: a Nevada corporation, FOR AN ORDER
: ESTABLISHING DRILLING UNITS FOR THE
: FERRON AREA, EMERY COUNTY, UTAH
:

CAUSE NO. 7

REPORT AND ORDER

Appearances:

For:

David L. McKay	Applicant
Charles R. Holland	Mountain Fuel Supply Company
W. Hughes Brockbank	Intermountain Oils and Intermountain Gas
Earl O. Anderson	Intermountain Oils and Intermountain Gas
Harold Bailey	Himself
William J. Coleman	Owanah Oil and Development Company

Protestants

A. John Ruggeri	Carbon-Emery Producers Corporation
J. M. Conover	Himself
Ray Wareham	Ferron and Orangeville residences as appearing in letter to Commission
Maek Bunderson	Himself
Hugh W. Colton	Ferron and Orangeville residences as appearing in letter to Commission

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By the Commission:

On the 9th day of July, 1957, American Petrofina, Inc. and English Oil Company filed an application for an order establishing 320 acre drilling units for the Ferron Area, Emery County, Utah. The matter was set for hearing before the Oil and Gas Conservation Commission of Utah, to be heard on August 21, 1957, at 10:00 a.m. in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah.

All interested parties were given due and legal notice of said hearing and proof of publication of such notice in a daily newspaper of general circulation in the City of Salt Lake and County of Salt Lake, Utah, and in all

newspapers in Emery County, Utah, is on file with the Commission. Hearing upon the matter was had on August 21, 1957, and concluded on November 14, 1957, and the matter was taken under advisement by the Commission.

From the testimony adduced at said hearing and from the record and files in the case, which are made a part hereof by reference, the Commission now makes the following findings of fact and conclusions together with its order herein.

FINDINGS OF FACT

1. That the Applicants, American Petrofina, Inc., a Delaware corporation, and English Oil Company, a Nevada corporation, are both duly authorized to do business in the state of Utah and, at the present time, are engaged in the drilling and development of various oil and gas properties within the state.

2. That, more particularly, Applicants are owners and holders of subsisting oil and gas leases covering lands within the following described area, Emery County, Utah:

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

Section 1: S $\frac{1}{2}$
 Section 2: S $\frac{1}{2}$
 Section 3: S $\frac{1}{2}$
 Section 10: All
 Section 11: All
 Section 12: All
 Section 13: All
 Section 14: All
 Section 15: All
 Section 16: All
 Section 17: E $\frac{1}{2}$
 Section 20: E $\frac{1}{2}$
 Section 21: All
 Section 22: All
 Section 23: All
 Section 24: W $\frac{1}{2}$
 Section 26: All
 Section 27: All
 Section 28: All
 Section 29: E $\frac{1}{2}$
 Section 32: E $\frac{1}{2}$
 Section 33: All
 Section 34: All
 Section 35: W $\frac{1}{2}$

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

Section 3: All
 Section 4: All
 Section 5: All
 Section 7: E $\frac{1}{2}$
 Section 8: All
 Section 9: All
 Section 10: All

Section 16: All
 Section 17: All
 Section 18: E $\frac{1}{2}$

3. That the Applicants have drilled two wells on the above described lands capable of producing gas from the Ferron Sandstone. That available geological and engineering data obtained in the course of drilling these wells indicate the presence of several sands in the Ferron Sandstone, member of the Mancos Formation, underlying the above described lands which contain a common accumulation of gas; that said producing sands are relatively shallow and of low pressure.

4. That the majority of the interested parties are of the opinion that one well will not adequately drain, in accordance with good conservation practice, all recoverable gas from the Ferron Sandstone underlying approximately 640 surface acres in the subject area; and that, at this time, the establishment of drilling units of 320 acres would insure proper and efficient development of the heretofore mentioned acreage, and promote the conservation of the gas resources of the state.

5. The Commission, therefore, finds and concludes that drilling units of 320 acres can be established which will fulfill the statutory requirements.

CONCLUSION

The Commission, therefore, concludes that the application should be granted as requested.

ORDER

IT IS HEREBY ORDERED that the following rules and regulations shall apply to wells heretofore and hereafter drilled, completed, or recompleted in the Ferron Sandstone, member of the Mancos Shale Formation, of the Ferron Area as herein defined, in addition to other applicable rules and regulations and Orders of the Commission, heretofore adopted and not in conflict herewith.

FIELD RULE 10 - 7. Drilling Units shall be and the same are hereby established in 320 acre tracts, more or less, with a maximum of one well on each tract located as follows:

<u>DRILLING UNIT NO.</u>	<u>DESCRIPTION - FERRON AREA Acreage</u>	<u>Sec.</u>	<u>Twp.</u>	<u>Rge.</u>	<u>PERMITTED WELL LOCATION</u>
1	S $\frac{1}{2}$	1	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$
2	S $\frac{1}{2}$	2	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$
3	S $\frac{1}{2}$	3	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$

DRILLING UNIT NO.	DESCRIPTION - PERRON AREA				PERMITTED WELL LOCATION	
	Acreage	Sec.	Twp.	Rge.		
4	E _{1/2}	12	20S	7E	NE _{1/4}	NE _{1/4}
5	W _{1/2}	12	20S	7E	NE _{1/4}	SW _{1/4}
6	E _{1/2}	11	20S	7E	NE _{1/4}	NE _{1/4}
7	W _{1/2}	11	20S	7E	NE _{1/4}	SW _{1/4}
8	E _{1/2}	10	20S	7E	NE _{1/4}	NE _{1/4}
9	W _{1/2}	10	20S	7E	NE _{1/4}	SW _{1/4}
10	E _{1/2}	13	20S	7E	NE _{1/4}	NE _{1/4}
11	W _{1/2}	13	20S	7E	NE _{1/4}	SW _{1/4}
12	E _{1/2}	14	20S	7E	NE _{1/4}	NE _{1/4}
13	W _{1/2}	14	20S	7E	NE _{1/4}	SW _{1/4}
14	E _{1/2}	15	20S	7E	NE _{1/4}	NE _{1/4}
15	W _{1/2}	15	20S	7E	NE _{1/4}	SW _{1/4}
16	E _{1/2}	16	20S	7E	NE _{1/4}	NE _{1/4}
17	W _{1/2}	16	20S	7E	NE _{1/4}	SW _{1/4}
18	E _{1/2}	17	20S	7E	NE _{1/4}	NE _{1/4}
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26	E _{1/2}	20	20S	7E	NE _{1/4}	NE _{1/4}
27	E _{1/2}	26	20S	7E	NE _{1/4}	NE _{1/4}
28	W _{1/2}	26	20S	7E	NE _{1/4}	SW _{1/4}
29	E _{1/2}	27	20S	7E	NE _{1/4}	NE _{1/4}
30	W _{1/2}	27	20S	7E	NE _{1/4}	SW _{1/4}
31	E _{1/2}	28	20S	7E	NE _{1/4}	NE _{1/4}
32	W _{1/2}	28	20S	7E	NE _{1/4}	SW _{1/4}
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37	E _{1/2}	33	20S	7E	NE _{1/4}	NE _{1/4}
38	W _{1/2}	33	20S	7E	NE _{1/4}	SW _{1/4}
39	E _{1/2}	32	20S	7E	NE _{1/4}	NE _{1/4}
40	E _{1/2}	3	20S	7E	NE _{1/4}	NE _{1/4}
41	W _{1/2}	3	21S	7E	NE _{1/4}	SW _{1/4}
42	E _{1/2}	4	21S	7E	SE _{1/4}	SE _{1/4}
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53	E _{1/2}	16	21S	7E	NE _{1/4}	NE _{1/4}
54	E _{1/2}	17	21S	7E	NE _{1/4}	NE _{1/4}
55	E _{1/2}	18	21S	7E	NE _{1/4}	NE _{1/4}
56	S _{1/2}	16	21S	7E	NE _{1/4}	SW _{1/4}
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each such well shall be drilled only at the location herein authorized, and each such well shall be located not closer than 500 feet from the exterior lines of the legal quarter-quarter subdivision within the unit upon which the well is located; provided, however, that exceptions to the location of the permitted well within such legal subdivision may be had without notice or hearing upon an application filed in due form showing the necessity for

a location nearer than 500 feet to the exterior lines of the said legal subdivision, based upon topographical reasons, and showing consent from the operators in all other drilling units within the said pool which adjoin or corner upon the drilling unit which shall contain such unorthodox location.


American Petrofina, Inc. and English Oil Company Well No. Fee 1-14, is designated as the drilling unit well for Drilling Unit No. 12. American Petrofina, Inc. and English Oil Company Well No. State 1-22 is designated as the drilling unit well for Drilling Unit No. 23, and American Petrofina, Inc. and English Oil Company Well No. Government 1-4, is designated as the drilling unit well for Drilling Unit No. 42.

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 Ferron Area, as defined herein, for the purpose of producing gas from the several sands of the Ferron Sandstone 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.

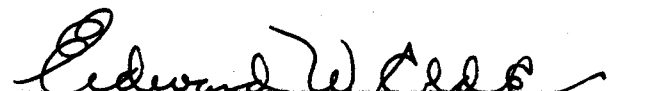
ORDERED this 13th day of December, 1957.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH


G. M. HENDERSON, Chairman


G. E. THOMSON, Commissioner

W. V. HATCH, Commissioner


EDWARD W. OLTMAN, Commissioner


W. C. MANN, Commissioner

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Section 14:	All
Section 15:	All
Section 16:	All
Section 17:	E $\frac{1}{2}$
Section 20:	E $\frac{1}{2}$
Section 21:	All
Section 22:	All
Section 23:	All
Section 24:	W $\frac{1}{2}$
Section 26:	All
Section 27:	All
Section 28:	All
Section 29:	E $\frac{1}{2}$
Section 32:	E $\frac{1}{2}$
Section 33:	All
Section 34:	All
Section 35:	W $\frac{1}{2}$

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

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Section 4:	All
Section 5:	All
Section 7:	E $\frac{1}{2}$
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 Section 17: All
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3. That the Applicants have drilled two wells on the above described lands capable of producing gas from the Ferron Sandstone. That available geological and engineering data obtained in the course of drilling these wells indicate the presence of several sands in the Ferron Sandstone, member of the Mancos Formation, underlying the above described lands which contain a common accumulation of gas; that said producing sands are relatively shallow and of low pressure.

4. That the majority of the interested parties are of the opinion that one well will not adequately drain, in accordance with good conservation practice, all recoverable gas from the Ferron Sandstone underlying approximately 640 surface acres in the subject area; and that, at this time, the establishment of drilling units of 320 acres would insure proper and efficient development of the heretofore mentioned acreage, and promote the conservation of the gas resources of the state.

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IT IS HEREBY ORDERED that the following rules and regulations shall apply to wells heretofore and hereafter drilled, completed, or recompleted in the Ferron Sandstone, member of the Mancos Shale Formation, of the Ferron Area as herein defined, in addition to other applicable rules and regulations and Orders of the Commission, heretofore adopted and not in conflict herewith.

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3	S $\frac{1}{2}$	3	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$

DRILLING UNIT NO.	DESCRIPTION - FERRON AREA				PERMITTED WELL	
	Acreage	Sec.	Twp.	Rge.	LOCATION	
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15	W _{1/2}	15	20S	7E	NE _{1/2}	SW _{1/2}
16	E _{1/2}	16	20S	7E	NE _{1/2}	NE _{1/2}
17	W _{1/2}	16	20S	7E	NE _{1/2}	SW _{1/2}
18	E _{1/2}	17	20S	7E	NE _{1/2}	NE _{1/2}
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24	E _{1/2}	21	20S	7E	NE _{1/2}	NE _{1/2}
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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 Ferron Area, as defined herein, for the purpose of producing gas from the several sands of the Ferron Sandstone at a location other than authorized by this Order, is hereby prohibited.

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C. S. THOMSON, Commissioner

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From the testimony adduced at said hearing and from the record and files in the case, which are made a part hereof by reference, the Commission now makes the following findings of fact and conclusions together with its order herein.

FINDINGS OF FACT

1. That the Applicants, American Petrofina, Inc., a Delaware corporation, and English Oil Company, a Nevada corporation, are both duly authorized to do business in the State of Utah and, at the present time, are engaged in the drilling and development of various oil and gas properties within the state.

2. That, more particularly, Applicants are owners and holders of subsisting oil and gas leases covering lands within the following described area, Emery County, Utah:

(description)

3. That the Applicants have drilled two wells on the above described lands capable of producing gas from several sands in the Ferron Formation. That geological data obtained in the course of drilling these wells indicate that said producing sands are relatively shallow and of low pressure.

4. That the majority of the interested parties are of the opinion that one well will not adequately drain, in accordance with good conservation practice, all recoverable gas from the Ferron Formation underlying approximately 640 surface acres in the subject area; and that, at this time, the establishment of drilling units of 320 acres would insure proper and efficient development of the heretofore mentioned acreage, and promote the conservation of the gas resources of the state.

5. The Commission, therefore, finds and concludes that drilling units of 320 acres can be established which will fulfill the statutory requirements.

CONCLUSION

The Commission, therefore, concludes that the application should be

granted as requested.

ORDER

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

FIELD RULE 11 - 7. Drilling Units shall be and the same are hereby established in 320 acre tracts, more or less, with a maximum of one well on each tract located as follows:

DRILLING UNIT NO.	DESCRIPTION				PERMITTED WELL LOCATION
	Acreage	Sec.	Twp.	Rge.	
1	S $\frac{1}{4}$	1	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$
2	S $\frac{1}{4}$	2	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$
3	S $\frac{1}{4}$	3	20S	7E	NE $\frac{1}{4}$ SW $\frac{1}{4}$
4	E $\frac{1}{2}$	12	20S	7E	NE $\frac{1}{4}$ NE $\frac{1}{4}$
5etc.;

each such well shall be drilled only at the location herein authorized, and each such well shall be located not closer than 500 feet from the exterior lines of the legal quarter-quarter subdivision within the unit upon which the well is located; provided, however, that exceptions to the location of the permitted well within such legal subdivision may be had without notice or hearing upon an application filed in due form showing the necessity for a location nearer than 500 feet to the exterior lines of the said legal subdivision, based upon topographical reasons, and showing consent from the operators in all other drilling units within the said pool which adjoin or corner upon the drilling unit which shall contain such unorthodox location.

IT IS FURTHER ORDERED that no well shall be drilled within 1980 feet of the exterior boundary of the acreage herein described.

IT IS FURTHER ORDERED that the rules and regulations contained herein shall be come effective forthwith; and henceforth the commencement of the drilling of any well or wells in the Ferron 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 _____ day of _____, 1957.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH

C. R. HENDERSON, Chairman

C. S. THOMSON, Commissioner

M. V. HATCH, Commissioner

EDWARD W. CLYDE, Commissioner

W. G. MANN, Commissioner