

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

.....

IN THE MATTER OF THE APPLICATION OF	:	RECOMMENDED FINDINGS OF FACT
THE TENNESSEE GAS TRANSMISSION COMPANY,	:	
a Delaware Corporation, FOR AN ORDER	:	and
APPROVING THE ESTABLISHMENT OF A	:	
VOLUNTARY DRILLING UNIT IN THE BAR-X	:	CONCLUSIONS OF LAW
ANTICLINE AREA, GRAND COUNTY, UTAH	:	
		CAUSE NO. 12

REPORT OF THE COMMISSION

This cause came on for hearing before the Utah Oil and Gas Conservation Commission on Tuesday, February 4, 1958, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah, as a result of an application filed by Tennessee Gas Transmission Company, a Delaware corporation, duly authorized to do business in the State of Utah, for an order to establish a voluntary drilling unit in the Bar-X Anticline Area, Grand County, Utah. The hearing was held before Commissioners C. R. Henderson, M. V. Hatch, Cecil Thomson, and C. W. Clyde. Commissioner E. W. Clyde examined the evidence submitted by the applicant.

F I N D I N G S

The Commission 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 this commission has been presented at this hearing and at the hearings in Causes No. (2) and No. (4) geological and engineering data that indicates that one well will adequately and efficiently drain all of the recoverable gas from any of the pools in the formations set out in paragraph 3 above by spacing drilling units on a basis of approximately 640 surface acres.

5. That because of the odd sized and shaped lots and the location of the approved Bar-X Federal Unit it is impossible and impracticable to form drilling units uniform in size and shape consisting of exactly 640 acres in the area.

6. That all the available geological and engineering data indicate that one well located approximately in the center of the Northwest Quarter of the Northeast Quarter ( $NW\frac{1}{4}NE\frac{1}{4}$ ) of Section 8, Township 17 South, Range 26 East will adequately drain all recoverable gas from the formations underlying a surface unit covering lands which are described as follows:

Township 17 South, Range 26 East, SLBM  
Section 4: Lots 2, 3 and 4  
Section 5:  $S\frac{1}{2}NE\frac{1}{4}$ ,  $SE\frac{1}{4}$  and  $S\frac{1}{2}SW\frac{1}{4}$   
Section 8:  $N\frac{1}{2}$   
Section 9: Lots 1 and 2

7. Rule C-2 Drilling Units grants the Commission the authority to establish drilling units for a pool to prevent waste of oil or gas, to avoid the drilling of unnecessary wells or to protect correlative rights. Section 6 (b) of the Conservation Law of the State of Utah enables the Commission to establish drilling units for a pool but provides that no drilling unit, other than a voluntary drilling unit, shall exceed 640 acres for gas. The working interest owners having title to the full working interest in the lands set out in paragraph 6, above have, therefore, all executed a voluntary drilling unit agreement in the form of a Communitization and Operating Agreement which executed agreement has been submitted to the Commission. The said voluntary unit agreement has also been executed, ratified or approved by the parties owning overriding royalty interests in and under the lands set out in paragraph 6, above.

8. It is necessary that a spacing order be promulgated by the Utah State Oil and Gas Commission in the Bar-X Area covering the above described lands prior to obtaining the necessary approval from the United States Geological Survey for the voluntary Communitization Agreement set out in the preceding paragraph.

9. That no objecting parties appeared at the hearing covering the above set out application.

#### C O N C L U S I O N

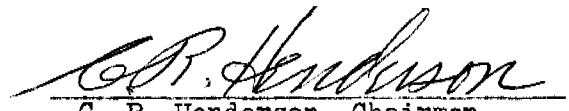
1. That in order to avoid the drilling of unnecessary wells; to protect the correlative rights of all parties concerned; to insure the proper and efficient development; and to promote conservation of the gas resources of the State,

an order should be made establishing a voluntary drilling unit and providing for a well location to obtain the production of gas embracing the lands described in paragraph 6 of the Findings set out above.

2. That such order should be conditioned on and become effective as of the date that the said voluntary drilling unit which has been communitized, is approved by the United States Geological Survey.

Signed by:

  
E. W. Clyde, Commissioner, Presiding

  
C. R. Henderson, Chairman

  
C. S. Thomson, Commissioner

  
M. V. Hatch, Commissioner

Dated:

February 14th, 1958

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

.....  
:  
IN THE MATTER OF THE APPLICATION OF  
THE TENNESSEE GAS TRANSMISSION COMPANY, :  
a Delaware Corporation, FOR AN ORDER :  
APPROVING THE ESTABLISHMENT OF A :  
VOLUNTARY DRILLING UNIT IN THE BAR-X :  
ANTICLINE AREA, GRAND COUNTY, UTAH :  
.....

O R D E R  
Cause No. 12

The Commission having considered all of the material submitted in the above matter and the findings of fact and the conclusions derived therefrom in this proceeding,

IT IS HEREBY ORDERED that the Recommended Findings of Fact and Conclusions of Law of the Commission 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 a voluntary unit be established for the purpose of drilling an exploratory well in the Bar-X Anticline Area subject to all of the applicable rules, regulations and orders of the Commission, if any, heretofore adopted and not in conflict herewith upon a voluntary drilling unit covering lands in Grand County, Utah, described as follows:

Township 17 South, Range 26 East, SLEM

Section 4: Lots 2, 3 and 4  
Section 5: S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  and S $\frac{1}{2}$ SW $\frac{1}{4}$   
Section 8: N $\frac{1}{2}$   
Section 9: Lots 1 and 2

Field Rule 4-4-10, adopted by the Commission, December 5, 1956, and revised December 13, 1957, is amended to read as follows:

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

Drilling Units in Zones 2, 3, 4, 5, and 6, shall embrace the same lands as are set forth in the Order of December 5, 1956, and December 13, 1957.

Drilling Units in Zone 1, shall be amended as follows:

Drilling Unit No. 1, shall be designated as Voluntary Drilling Unit No. 1, and shall consist of the following described acreage:

Township 17 South, Range 26 East, SLEM

Section 4: Lots 2, 3 and 4  
Section 5: S $\frac{1}{2}$ NE $\frac{1}{4}$ , SE $\frac{1}{4}$  and S $\frac{1}{2}$ SW $\frac{1}{4}$

Section 8: N $\frac{1}{2}$   
Section 9: Lots 1 and 2

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

Township 17 South, Range 26 East, SLBM

Section 4: Lot 1  
Section 5: N $\frac{1}{2}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ NW $\frac{1}{4}$ , Lots 1, 2, 3 and 4

Drilling Units No. 3, and 4, shall embrace the same lands as are set forth in the Order of December 5, 1956, and December 13, 1957.

Field Rule 5-4-10, adopted by the Commission, December 5, 1956, and revised December 13, 1957, is adopted as a part of this order and is amended to read as follows:

Field Rule 5-4 (as amended). 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.

IT IS FURTHER ORDERED that the exploratory well for Drilling Unit No. 1, shall be located approximately in the center of the northwest quarter of the northeast quarter (NW $\frac{1}{4}$ NE $\frac{1}{4}$ ) of Section 8, and the exploratory well for Drilling Unit No. 2, shall be located approximately in the center of the southeast quarter of the northwest quarter (SE $\frac{1}{4}$ NW $\frac{1}{4}$ ) of Section 5, Township 17 South, Range 26 East, SLBM, Grand County, Utah.

IT IS FURTHER ORDERED that this Order is conditional upon approval by the United States Geological Survey of the Communitization Agreement covering the above described lands and that Order will become effective as of the date of execution by the proper officials of the United States Geological Survey.

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.

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ORDERED this 14<sup>th</sup> day of February, 1958.

THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF UTAH

  
E. W. CLYDE, Commissioner Presiding

  
C. R. HENDERSON, Chairman

  
C. S. THOMSON, Commissioner

  
M. V. HATCH, Commissioner

121B-21

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

.....  
IN THE MATTER OF THE AMENDED APPLICATION OF  
THE AMERICAN METAL COMPANY, LIMITED, FOR AN  
ORDER ESTABLISHING 480 ACRE DRILLING AND  
SPACING UNITS FOR THE DEVELOPMENT AND PRODUC-  
TION OF GAS FROM THE SOUTH BAR-X AREA, GRAND  
COUNTY, UTAH  
.....

CAUSE NO. 10  
REPORT AND ORDER

Appearances:

For:

Fred A. Deering, Jr.	The American Metal Company, Limited; The Climax Molybdenum Company; Irving Pollack, Trustee, Applicants
Leonard J. Lewis	Harry Royster, and Entrada Oil and Gas Company, Protestants
Paul Q. Callister	C. S. V. Oil and Exploration Company
Ted Moss	Bar-X Corporation
Lewis H. Larsen	Himself
G. S. Campbell	Himself

By the Commission:

On August 5, 1957, The American Metal Company, Limited, filed an application for an order establishing 640 acre drilling and spacing units for the development and production of gas from the South Bar-X Area, Grand County, Utah. The matter was set for hearing before the Oil and Gas Conservation Commission of Utah, to be heard on Wednesday, September 11, 1957, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah. On September 6, 1957, an amended application for an order establishing 480 acre drilling units in the same area was filed by The American Metal Company, Limited. On September 10, 1957, a motion for postponement of the hearing was filed by Harry Royster and Entrada Oil and Gas Company, Protestants. Said motion was granted, and the matter was set for hearing on Tuesday, October 1, 1957, at 10:00 a.m. in the Governor's Board Room.

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 of general circulation in Grand County, Utah, is on

file with the Commission. Hearing upon the matter was had and concluded on October 1, 1957, and the matter was taken under consideration by the Commission.

On October 18, 1957, a stipulation and motion was made on behalf of the Petitioners and Protestants to extend the time for the filing of briefs to and including November 15, 1957. The motion was granted and the hearing was continued until November 15, 1957, for the aforementioned purpose.

#### FINDINGS OF FACT

1. That the Commission has jurisdiction over the subject matter embraced in this cause and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.

2. That the Applicant is owner of certain interests in subsisting Federal oil and gas leases covering lands within the following described area of Grand County, Utah:

Township 17 South, Range 25 East, S.L.M.

Section 24:  $S\frac{1}{2}NW\frac{1}{4}$ ,  $S\frac{1}{2}$   
Section 25:  $S\frac{1}{2}NE\frac{1}{4}$ ,  $N\frac{1}{2}N\frac{1}{2}$

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

Section 19:  $S\frac{1}{2}S\frac{1}{2}$   
Section 30:  $N\frac{1}{2}S\frac{1}{2}$ ,  $N\frac{1}{2}$

3. That the above described lands lie south of and adjacent to Drilling Units Nos. 1 and 2, Zone 4; and Drilling Unit No. 1, Zone 5, of the Bar-X Anticline Area established by order of this Commission on December 5, 1956, in its Cause No. 4.

4. That gas is being, or is capable of being, produced from the Bar-X Anticline Unit Area, from the drilling units established in the Bar-X Anticline Area by order of the Commission in Cause No. 4, all of which production or potential production is from the Dakota - Upper Morrison, Salt Wash, and Entrada Formations.

5. That the following described wells have heretofore been drilled to one or more of the formations mentioned in Paragraph 4 hereof underlying the above described lands:

1. American Metal Government No. 2, located on the  $SE\frac{1}{4}SW\frac{1}{4}$  of Section 24, Township 17 South, Range 25 East, S.L.M, was



completed January 9, 1957, at a total depth of 2820 feet. Initial production was 25 barrels of oil per day, which is now shut in. The productive zone is 2712 feet to 2743 feet, with producing intervals at 2712 feet to 2722 feet, and 2731 feet to 2743 feet.

2. Entrada Federal No. 1, located on the  $SW\frac{1}{4}SW\frac{1}{4}$  of Section 19, Township 17 South, Range 26 East, S.L.M., was completed February 12, 1957, at a total depth of 2821 feet. Initial production was 5,800,000 cubic feet of gas per day. The productive zone is 2460 feet to 2509 feet, with producing intervals at 2460 feet to 2470 feet, and 2499 feet to 2509 feet.

3. Entrada Federal No. 5, located in the  $C\ SW\frac{1}{4}SW\frac{1}{4}$ , of Section 20, Township 17 South, Range 26 East, S.L.M., total depth 2566 feet - Gas was encountered in the Salt Wash (Drilled as a tight hole; no other completion data).

4. Rock Island Refining-Gibson Government No. 1-A, located in the  $SE\frac{1}{4}SE\frac{1}{4}$  of Section 30, Township 17 South, Range 26 East, S.L.M., total depth 2121 feet; Log Tops: Morrison 1663 feet; Salt Wash 2020 feet. Dry, plugged and abandoned on March 19, 1957.

6. That geological data obtained in the course of drilling American Metal Well No. Government 2, and Rock Island Refining Company Well No. Government 1-A, demonstrate that the Bar-X Field or Anticline Area does not extend as far southwest or south as the drilling units requested.

7. That having heretofore found in Cause No. 4 that the Bar-X Field or Anticline Area extends as far south as Section 21: Lot 3; Section 20:  $N\frac{1}{2}S\frac{1}{2}$ ; and Section 19:  $N\frac{1}{2}S\frac{1}{2}$ , of Township 17 South, Range 26 East, and, Section 24:  $N\frac{1}{2}NW\frac{1}{4}$ ,  $NE\frac{1}{4}$ , of Township 17 South, Range 25 East, S.L.M., and in the face of affirmative evidence that Well No. Entrada Federal 1, is a commercial gas producer located only 660 feet south of the established boundary of the field, and that Well No. Entrada Federal 5, which was drilled approximately the same distance from said boundary and on approximately the same contour line, has had shows of gas, the Commission must find that the field extends some distance south of the heretofore established boundary line, and at least some distance south of the Entrada Wells, and also that it extends to the west along the general contour lines to embrace the acreage included in Drilling Unit No. 1, Zone 6, as hereinafter described.

8. That geological data obtained in the course of the drilling of said wells and other available geological data indicate the presence of

several zones, whether of one or more benches, 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 $\frac{1}{2}$ N $\frac{1}{2}$ , 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 $\frac{1}{4}$ , SE $\frac{1}{4}$ ;  
Section 25: 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: All;  
Section 20: All;  
Section 21: Lots 1,2,3 and 4;  
Section 28: Lot 1;  
Section 29: N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ ;  
Section 30: N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ .

9. That the Entrada wells are capable of drawing gas from beyond the leasehold interest of the operator.

10. That to require the drilling of offset wells to the north, south, and west, in order to protect correlative rights, would constitute the drilling of unnecessary wells.

11. The Commission, therefore, finds and concludes, primarily because of the dry holes to the south and west, that the Entrada wells are near the edge of the Bar-X Field and it would be impractical as well as improper to establish drilling units of the size as heretofore established for said field and for the area covered by the application; that the evidence is not sufficient to establish that the field extends to the south beyond the limits established hereby, and because two wells have already been drilled, at least two units should be established; and that in order to protect correlative rights and prevent the drilling of unnecessary wells, drilling units of approximately 320 acres should be established

for the Entrada wells and the acreage to the west of Well No. Entrada Federal 1, which is on the same contour, and the units adjoining on the north should be reduced in size as determined hereby.

CONCLUSION

The Commission, therefore, concludes that the application should be granted subject to the modifications herein set out.

ORDER

IT IS HEREBY ORDERED that the following rules and regulations shall apply to wells heretofore and hereafter drilled, 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, adopted by the Commission, December 5, 1956, in Cause No. 4, is amended to read as follows:

Field Rule 3-4-10. The Bar-X Anticline Area, as herein defined, is hereby divided into 5 6 zones, which contain the acreage described as follows:

Zones 1, 2 and 3 shall embrace the same lands as are set forth in the Order of December 5, 1956, in Cause No. 4.

Zone 4 - shall be amended to read as follows:

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

Zone 5 - shall be amended to read as follows:

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

Zone 6 - shall be added as follows:

Section 24:  $SE\frac{1}{4}$ , Twp. 17 S, R. 25 E, SLEM  
Section 25:  $NE\frac{1}{4}$ , Twp. 17 S, R. 25 E, SLEM  
Section 19:  $S\frac{1}{2}S\frac{1}{2}, S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$ , Twp. 17 S, R. 26 E, SLEM  
Section 20:  $S\frac{1}{2}S\frac{1}{2}, S\frac{1}{2}N\frac{1}{2}S\frac{1}{2}$ , Twp. 17 S, R. 26 E, SLEM

Zone 6 (Continued)

- Section 21: S $\frac{1}{2}$  Lot 3; and Lot 4, Twp. 17 S, R. 26 E, SLEM
- Section 28: N $\frac{1}{2}$  Lot 1, Twp. 17 S, R. 26 E, SLEM
- Section 29: N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ , Twp. 17 S, R. 26 E, SLEM
- Section 30: N $\frac{1}{2}$ N $\frac{1}{2}$ N $\frac{1}{2}$ , Twp. 17 S, R. 26 E, SLEM

*7 Amended Dec 13, 1957*

Field Rule 4-4<sup>0</sup> adopted by the Commission, December 5, 1956, ~~in Cause No. 4~~, is amended to read as follows:

Field Rule 4-4 <sup>(a amended)</sup> ~~10-12~~ Drilling Units shall be and the same are hereby established for each zone, as follows; to-wit:

Drilling Units in Zones 1, 2 and 4<sup>5 7 6</sup> shall embrace the same lands as are set forth in the Order of December 5, 1956, ~~in Cause No. 4~~. *7 Dec 13, 1957*

Drilling Units in ZONE 4 shall be amended as follows:

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, SLEM
- Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$ , W $\frac{1}{2}$ NE $\frac{1}{4}$ , 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 $\frac{1}{4}$ , Twp. 17 S, R. 25 E, SLEM
- Section 24: E $\frac{1}{2}$ NE $\frac{1}{4}$ , Twp. 17 S, R. 25 E, SLEM
- Section 18: S $\frac{1}{2}$ SW $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM
- Section 19: NW $\frac{1}{4}$ , [ N $\frac{1}{2}$ SW $\frac{1}{4}$  ] N $\frac{1}{2}$ N $\frac{1}{2}$ SW $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM

Drilling Units in ZONE 5 shall be amended as follows:

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, SLEM
- Section 18: S $\frac{1}{2}$ SE $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM
- Section 19: NE $\frac{1}{4}$ , [ N $\frac{1}{2}$ SE $\frac{1}{4}$  ] N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM
- Section 20: W $\frac{1}{2}$ NW $\frac{1}{4}$ , [ NW $\frac{1}{4}$ SW $\frac{1}{4}$  ] N $\frac{1}{2}$ NW $\frac{1}{4}$ SW $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM

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

- Section 16: Lot 4, Twp. 17 S, R. 26 E, SLEM
- Section 17: SE $\frac{1}{4}$ SW $\frac{1}{4}$ , S $\frac{1}{2}$ SE $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM
- 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 $\frac{1}{4}$  ] N $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$ , N $\frac{1}{2}$ N $\frac{1}{2}$ SE $\frac{1}{4}$ , Twp. 17 S, R. 26 E, SLEM
- Section 21: Lots 1, 2 and 3, Twp. 17 S, R. 26 E, SLEM

Drilling Units in ZONE 6 shall be added as follows:

ZONE 6

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

- Section 24: SE $\frac{1}{4}$ , Twp. 17 S, R. 25 E, SLEM
- Section 25: NE $\frac{1}{4}$ , Twp. 17 S, R. 25 E, SLEM

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

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

Section 30:  $N\frac{1}{2}N\frac{1}{2}N\frac{1}{2}$ , Twp. 17 S, R. 26 E, SLEM

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

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

Section 21:  $S\frac{1}{2}$  Lot 3; and Lot 4, Twp. 17 S, R. 26 E,  
SLEM

Section 28:  $N\frac{1}{2}$  Lot 1, Twp. 17 S, R. 26 E, SLEM

Section 29:  $N\frac{1}{2}N\frac{1}{2}N\frac{1}{2}$ , Twp. 17 S, R. 26 E, SLEM

Field Rule 5-4, adopted by the Commission, December 5, 1956, in Cause No. 4, is redesignated as Field Rule 5-4-10, and adopted as part of this Order which rule is as follows:

Field Rule 5-4-10. 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.

IT IS FURTHER ORDERED that Well No. Entrada Federal 1 is designated as the drilling well for Drilling Unit No. 2, of Zone 6, for the zones or horizons from which it is producing, and Well No. Entrada Federal 5, is designated as the drilling unit well for Drilling Unit No. 3, of Zone 6 for the zones or horizons from which it is capable of producing.

IT IS FURTHER ORDERED that the drilling unit well for Drilling Unit No. 1, of Zone 6, shall be drilled not less than 1200 feet from the unit boundary line.

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 and in the Order of December 5, 1956, entered in Cause No. 4, 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 13th day of December, 1957.

THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF UTAH

/s/ Edward W. Clyde  
EDWARD W. CLYDE, Commissioner, Presiding

/s/ C. R. Henderson  
C. R. HENDERSON, Chairman

/s/ C. S. Thomson  
C. S. THOMSON, Commissioner

/s/ M. V. Hatch  
M. V. HATCH, Commissioner

/s/ W. G. Mann  
W. G. MANN, Commissioner

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

12.5.64

.....	:	
	:	
IN THE MATTER OF THE APPLICATION	:	
OF THE AMERICAN METAL COMPANY,	:	
LIMITED, a corporation, and THE	:	ORDER
FRONTIER REFINING COMPANY, a	:	
corporation, FOR AN ORDER ESTAB-	:	Cause No. 4
LISHING DRILLING UNITS FOR THE	:	
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 Con-  
clusions 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 recom-  
pleted 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, SLEB
- Section 5: All; Twp. 17 S, R. 26 E, SLEB
- 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
- 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
- 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

- Section 2: All; Twp. 17 S, R. 25 E, SLEB
- Section 3: All; 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

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

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

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, SLEBM

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

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

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

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

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, SLEBM

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, SLEBM

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

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, SLEBM

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

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

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

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, SLEBM

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

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

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

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

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

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

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, SLEBM

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

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 recompleted 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

/s/ D. H. Whittenburg  
D. H. WHITTENBURG, Chairman

/s/ T. S. Curtis  
T. S. CURTIS, Commissioner

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

12-5-56

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;  
S $\frac{1}{2}$ N $\frac{1}{2}$ , 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 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 <sup>will</sup> adequately drain all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 surface acres <sup>is</sup> the maximum area that <sup>can</sup> ~~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 <sup>is</sup> ~~is~~ impracticable as well as impossible to establish drilling units of 640 acres or thereabouts which will satisfy the statutory requirements of uniform size and shape.

8. That drilling units between 480 and 550 surface acres <sup>can</sup> ~~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.