

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

IN THE MATTER OF:)
)
THE APPLICATION OF BURTON W. HANCOCK,) CAUSE NUMBER 13
AN INDIVIDUAL, FOR AN ORDER ESTABLISH-)
ING THE DRILLING AND SPACING UNITS FOR) REPORT, FINDINGS OF
THE DEVELOPMENT AND PRODUCTION OF GAS) FACT AND ORDER
FROM THE WEST BAR-X AREA, GRAND COUNTY,)
UTAH)

Appearances:

For:

Hugh C. Garner

Burton W. Hancock, Applicant

By the Commission:

On April 29, 1958, Burton W. Hancock, an individual, filed an application for an Order establishing drilling and spacing units for the development and production of gas from the West 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 Tuesday, June 3, 1958, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah. On July 29, 1958, said Application was refiled and the matter set for rehearing before this Commission on August 25, 1958, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah.

Due and legal notices of said hearing and rehearing and proof of publication of such notices in a daily newspaper of general circulation in Salt Lake City, Salt Lake County, and in all newspapers of general circulation in Grand County, Utah, are on file with this Commission. A hearing upon the matter was had on

June 3, 1958, and a rehearing upon said matter was had and concluded August 25, 1958.

FINDINGS OF FACT

1. The Applicant is one of the Lessees of record and is the Operator designated by those certain Operating Agreements, duly filed with and approved by the Manager, Land Office, Bureau of Land Management, Salt Lake City, Utah, of subsisting Utah State and Federal Oil and Gas Leases covering, in addition to other lands, the following lands located in Grand County, Utah, and described as follows, to-wit:

Township 17 South, Range 25 East, Salt Lake Meridian

Section 4:	$W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$
Section 5:	All
Section 8:	All
Section 9:	$W\frac{1}{2}$
Section 16:	$W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$
Section 17:	All
Section 20:	All
Section 21:	$N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$
Section 22:	$NW\frac{1}{4}$

2. The Applicant is the owner of an undivided seventy-five percent (75%) interest in and under said Oil and Gas Leases covering the hereinabove described lands. The remaining twenty-five percent (25%) interest ownership in and under said Leases is owned by Frank B. Matheson, Charles S. Woodward, Glen A. Finlayson, Adiel F. Stewart, Albert H. Kelson, Edward H. Coltharp, C. D. Shurtleff, F. J. Bradshaw, Russell Cashin, Don F. Bradshaw, Estate of Henry C. Goodman, deceased, Edwin A. Peay, Erschel F. Smith, Louise P. Sondrup or Estate of E. R. Miles, Sr., deceased, and North American Resources Corp., in the percentages as are more

particularly set out in the records of the Land Office, Bureau of Land Management, and Utah State Land Board, at Salt Lake City, Utah.

Said Leases and the lands covered thereby are subject to said hereinabove referred to Operating Agreement dated August 29, 1953.

3. The hereinabove described lands lie west of and adjacent to Drilling Unit Nos. 1, 2 and 3, Zone 2 and Drilling Unit Nos. 1, 2 and 3, Zone 3 of the Bar-X Anticline Area established by Order of this Commission on December 5, 1956, in its Cause Number 4.

4. Gas is currently 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 said Cause Number 4, all of which production or potential production is from the Dakota-Upper Morrison, Salt Wash and Entrada Formations.

5. A well has heretofore been drilled to one of the formations hereinabove mentioned in paragraph numbered 4 and underlying the lands hereinabove described in paragraph numbered 2, said well being designated the Hancock No. 1 Well and located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 21, Township 17 South, Range 25 East, Salt Lake Meridian.

6. Geological data obtained in the course of drilling said Hancock No. 1 Well and other wells in the immediate vicinity, including the well designated as the Hancock Government No. 1 Well located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 3, Township and Range as aforesaid and the C.S.V.-Hancock Government No. 2 Well located on the

NE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, Township and Range as aforesaid demonstrate that the Bar-X Field or Anticline Area extends west of the heretofore established boundary line.

Geological data obtained in the course of drilling of said wells and other available geological data indicate the presence of several zones lying above the 1700 foot contour, 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, Salt Lake Meridian

Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
Section 8: SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{2}$ SW $\frac{1}{4}$
Section 9: E $\frac{1}{2}$ W $\frac{1}{2}$, SW $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$
Section 16: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$
Section 17: All
Section 20: All
Section 21: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$
Section 22: NW $\frac{1}{4}$

and, by virtue of the evidence presented, it would appear that the possibility of the existence of a common accumulation of gas underlying those land areas lying below the seventeen hundred foot contour, requires an extension to the west to embrace the acreage within temporary Drilling Unit Nos. 1 and 2, Zone 7 and Drilling Unit No. 1, Zone 8, as hereinafter described and including the following described lands, to-wit:

Township 17 South, Range 25 East, Salt Lake Meridian

Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$
Section 5: All
Section 8: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

7. The Commission, therefore, finds and concludes that it has jurisdiction over the subject matter in this cause and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed Order; that the evidence is sufficient to establish that the field extends to the west beyond the limits heretofore established and that additional drilling units should be established; and that in order to prevent the drilling of unnecessary wells, drilling units, based upon known geologic factors, ranging from 480 acres to a maximum of 640 acres should be established.

CONCLUSION

The Commission, therefore, concludes that the Application should be granted subject to the limitations 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 West 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 on December 5, 1956, in Cause No. 4, as amended December 13, 1957, in Cause No. 10, and as amended February 14, 1958, in Cause No. 12, is further amended to read as follows:

Field Rule 3-4 (as amended). The Bar-X Anticline Area, as herein defined, is hereby divided into 6 9 zones, which

contain the acreage described as follows:

Zones 1, 2, 3, 4, 5 and 6 shall embrace the same lands as are set forth in said Order of December 5, 1956, in Cause No. 4, as amended by said Order of December 13, 1957, in Cause No. 10, and as amended by said Order of February 14, 1958, in Cause No. 12.

Zone 7 - shall be added as follows:

Section 4: $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM
Section 5: All, Township 17 South, Range 25 East, SLBM

Zone 8 - shall be added as follows:

Section 8: All, Township 17 South, Range 25 East, SLBM
Section 9: $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM
Section 16: $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM

Zone 9 - shall be added as follows:

Section 17: All, Township 17 South, Range 25 East, SLBM
Section 20: All, Township 17 South, Range 25 East, SLBM
Section 21: $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$, Township 17 South, Range 25 East, SLBM
Section 22: $NW\frac{1}{4}$, Township 17 South, Range 25 East, SLBM

Field Rule 4-4, adopted by the Commission, December 5, 1956, in Cause No. 4, as amended December 13, 1957, in Cause No. 10, and as amended February 14, 1958, in Cause No. 12, is further 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:

Drilling Units in Zones 1, 2, 3, 4, 5 and 6 shall embrace the same lands as are set forth in the Order of December 5, 1956, in Cause No. 4, as amended by Order of December 13, 1957, in Cause No. 10, and as amended by Order of February 14, 1958, in Cause No. 12.

Drilling units in Zone 7, 8 and 9 shall be added as follows:

ZONE 7

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

Section 4: $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM
Section 5: $E\frac{1}{2}NE\frac{1}{4}$, Township 17 South, Range 25 East, SLBM

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

Section 5: $W\frac{1}{2}NE\frac{1}{4}$, $W\frac{1}{2}$, $SE\frac{1}{4}$, Township 17 South, Range 25 East, SLBM

ZONE 8

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

Section 8: $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM

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

Section 8: $E\frac{1}{2}E\frac{1}{2}$, Township 17 South, Range 25 East, SLBM
Section 9: $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM

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

Section 16: $W\frac{1}{2}E\frac{1}{2}$, $W\frac{1}{2}$, Township 17 South, Range 25 East, SLBM

ZONE 9

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

Section 17: All, Township 17 South, Range 25 East, SLBM

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

Section 20: All, Township 17 South, Range 25 East, SLBM

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

Section 21: $N\frac{1}{2}$, $N\frac{1}{2}S\frac{1}{2}$, Township 17 South, Range 25 East, SLBM
Section 22: $NW\frac{1}{4}$, Township 17 South, Range 25 East, SLBM

Field Rule 5-4, adopted by the Commission on December 5, 1956, and amended on December 13, 1957, which reads 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."

is adopted as a part of this Order.

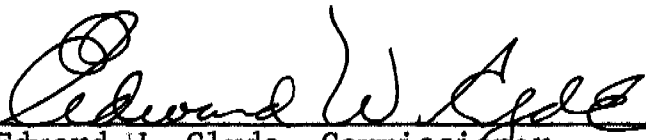
IT IS FURTHER ORDERED that Hancock Well No. 1 is designated as the drilling unit well for Voluntary Drilling Unit No. 3, Zone No. 9, for the zones or horizons from which it is producing or is capable of producing.

IT IS FURTHER ORDERED that in the absence of protest and presentation of evidence, the Rules and Regulations herein contained 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 said Order of December 5, 1956, entered in Cause No. 4, in said Order of December 13, 1957, entered in Cause No. 10, and in said Order of February 14, 1958, entered in Cause No. 12, 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 and, in the case of Zone No. 7, Drilling Unit Nos. 1 and 2, and Zone No. 8, Drilling Unit No. 1, temporarily established therein, to confirm as permanent drilling units or alter, amend or repeal said Zones and Drilling Units, after notice and hearing being duly had.

ORDERED this 18th day of September, 1958.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH


Edward W. Clyde, Commissioner,
Presiding


C. R. Henderson, Chairman


C. S. Thomson, Commissioner


M. V. Hatch, Commissioner


W. G. Mann, Commissioner

Enclosure with Security Council reserves
the right to reopen the case at any
time on the petition of any interested
party that might be prejudiced by
this order -