

*David R. King*

BEFORE THE BOARD OF OIL, GAS, AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
in and for the STATE OF UTAH

IN THE MATTER OF THE APPLICATION OF )  
WILLARD PEASE OIL AND GAS COMPANY FOR )  
AN ORDER ESTABLISHING 320-ACRE DRILLING )  
AND SPACING UNITS FOR THE DAKOTA FORMATION )  
UNDERLYING CERTAIN LANDS IN GRAND COUNTY, )  
UTAH. )

ORDER TO SHOW CAUSE  
and  
NOTICE OF HEARING  
CAUSE NO. 47-2

THE STATE OF UTAH TO ALL OPERATORS, TAKERS OF PRODUCTION, MINERAL AND ROYALTY OWNERS, AND PARTICULARLY ALL PERSONS INTERESTED IN TOWNSHIPS 16, 17, and 18 SOUTH, RANGES 23 and 24 EAST, SLBM, GRAND COUNTY, UTAH.

Notice is hereby given that the Board of Oil, Gas, and Mining, State of Utah, held a hearing on Wednesday, July 28, 1976, at 10:00 a.m., in the Executive Conference Room - Holiday Inn, 1659 West North Temple, Salt Lake City, Utah, in the above entitled matter.

Notice is further given that at the time of said hearing, the Applicant amended their original Application in this Cause to include the Castlegate, the Cedar Mountain, and the Morrison Formations, indicating each to be a further source of supply of gas in the Westwater Area. The Applicant, in addition, deleted the following described acreage from consideration:

|   |       |
|---|-------|
| <u>Township 16 South, Range 24 East</u> |       |
| Sec. 32:                                | All   |
| <u>Township 17 South, Range 24 East</u> |       |
| Sec. 4:                                 | N 1/2 |
| Sec. 5:                                 | N 1/2 |
| Sec. 6:                                 | N 1/2 |

In addition, the Board upon its own motion, moved that, in order to protect correlative rights, the Order include the following described lands, to-wit:


|   |                      |
|---|----------------------|
| <u>Township 17 South, Range 23 East</u> |                      |
| Sec. 15:                                | W 1/2; SW 1/4 SE 1/4 |
| Sec. 22:                                | All                  |
| Sec. 34:                                | All                  |

Further, that the Order be amended to provide that the permitted well for each such drilling unit shall be located no closer than 1000 feet from the spacing unit boundary, with a 500 foot tolerance, to be granted administratively, for geological and/or topographical conditions.

NOW THEREFORE, if you and each of you, have any objections to the issuance and modification of such Order, you are hereby requested to notify the Division of Oil, Gas, and Mining, 1588 West North Temple, Salt Lake City, Utah, 84116, in writing on or before the 20th day of August, 1976, and thereafter appear before the Board of Oil, Gas, and Mining, on Wednesday, August 25, 1976, at 10:00 a.m., in the Division's Office, 1588 West North Temple, Salt Lake City, Utah, to show cause, if any there be, why said Order should not be issued and 320 acre spacing established.

DATED this 3rd day of August, 1976.

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
BOARD OF OIL, GAS, AND MINING

  
SCHEREE WILCOX  
Administrative Assistant

Division of Oil, Gas, and Mining  
1588 West North Temple  
Salt Lake City, Utah 84116  
Phone: (801) 533-5771

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

IN THE MATTER OF THE PROMULGATION )  
AND ADOPTION OF AN ORDER )  
ESTABLISHING 320-ACRE DRILLING AND ) ORDER  
SPACING UNITS FOR THE CASTLEGATE, )  
DAKOTA, CEDAR MOUNTAIN, AND ) CAUSE NO. 47-2  
MORRISON FORMATIONS UNDERLYING )  
CERTAIN LANDS IN GRAND COUNTY, )  
UTAH. )

Pursuant to Notice of Hearing dated July 9, 1976, of the State of Utah, Department of Natural Resources, Board of Oil and Gas Conservation, this Cause came on for hearing before said Board at 10: 00 a.m., on Wednesday, July 28, 1976, in the Executive Conference Room - Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following members of the Oil and Gas Conservation Board of the State of Utah "The Board" were present:

Guy N. Cardon, Esquire, Chairman, Presiding

Charles R. Henderson

Hyrum L. Lee

The following members of the staff of the Oil and Gas Conservation Board of the State of Utah were present:

Cleon B. Feight, Esquire, Director

Patrick L. Driscoll, Chief Petroleum Engineer

Scheree Wilcox, Administrative Assistant

^ Appearances were made as follows:

Willard Pease Oil and Gas Company "The Applicant":

Alexander H. Walker, Jr., Esquire  
840 Kennecott Building  
Salt Lake City, Utah 84133

## FINDINGS

NOW, THEREFORE, the Board having considered the testimony adduced, and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following:

1. On July 9, 1976, the Applicant filed an Application seeking an Order from the Commission as follows:

a. Establishing 320-acre drilling and spacing units for the drilling of a gas well on each unit in the development of the Dakota group common source of supply of gas underlying the following described area:

Section 32, Township 16 South, Range 24 East; Sections 1, 2, 3, 10, 11, 14, 15, and 27, Township 17 South, Range 23 East; Sections 4, 5, 6, 19, 20, and 21, Township 17 South, Range 24 East; and Section 3, Township 18 South, Range 23 East, Grand County, Utah.

b. That each section in the area described under a. above would be divided into two 320-acre drilling and spacing units in either a north-south or east-west direction, except for fractional sections.

c. That the Order provide that the permitted well for each such drilling and spacing unit shall not be located nearer than 500 feet from the spacing unit area boundary and should not be located nearer than 2,500 feet from a producing gas well in an adjacent area or the Westwater Unit or the Horse Point Unit and that a 500 foot tolerance be permitted because of the terrain with respect to the footage between wells.

2. On July 9, 1976, a Notice of Hearing was published by the Board giving notice to all operators, takers of production, mineral and royalty owners and, particularly, all persons interested in Townships 16, 17, and 18 South, Range 23 and 24 East, Salt Lake Base Meridian, Grand County, Utah that a hearing would be held by

the Board on Wednesday, July 28, 1976, at 10:00 a.m. and further advising that all such persons, firms and corporations who might be interested to appear and be heard.

3. On July 28, 1976, the Applicant amended its Application requesting that an order be granted establishing a 320-acre drilling and spacing units for the development not only of the Dakota Formation but also the Castlegate Formation, the Cedar Mountain Formation, and the Morrison Formation common source of gas supply underlying the acreage described in the original Application and amending the description of the acreage involved to contain the following:

Township 17 South, Range 23 East

|          |       |
|----------|-------|
| Sec. 1:  | N 1/2 |
| Sec. 2:  | All   |
| Sec. 3:  | All   |
| Sec. 10: | All   |
| Sec. 11: | W 1/2 |
| Sec. 14: | W 1/2 |
| Sec. 15: | E 1/2 |
| Sec. 27: | All   |

Township 17 South, Range 24 East

|          |       |
|----------|-------|
| Sec. 19: | N 1/2 |
| Sec. 20: | N 1/2 |
| Sec. 21: | N 1/2 |

Township 18 South, Range 23 East

|         |     |
|---------|-----|
| Sec. 3: | All |
|---------|-----|

4. 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.

5. That the Board has jurisdiction over the matter covered by said notice and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

6. That the Board on August 3, 1976, published an Order to Show Cause and Notice of Hearing in the above-entitled Cause in the

form and manner and within the time required by law and the Rules and Regulations of the Board to all operators, takers of production, mineral and royalty owners and, in particular, all persons interested in Townships 16, 17, and 18 South, Ranges 23 and 24 East, Salt Lake Base Meridian, Grand County, Utah, that the Applicant had amended its original Application in this Cause to include the Castlegate, the Cedar Mountain and Morrison Formations indicating each to be a further source of supply of gas in the Westwater area and in addition deleted the following described acreage from consideration:

Township 16 South, Range 24 East  
Sec. 32: All

Township 17 South, Range 24 East  
Sec. 4: N 1/2  
Sec. 5: N 1/2  
Sec. 6: N 1/2

In addition, the Board on its own motion, moved that, in order to protect the correlative rights, the Order should include the following described lands:

Township 17 South, Range 23 East  
Sec. 15: W 1/2; SW 1/4 SE 1/4  
Sec. 22: All  
Sec. 34: All

That the Order be amended to provide that the permitted well for each such drilling unit shall be located no closer than 1,000 feet from the spacing unit boundary, with a 500 foot tolerance, to be granted administratively, for geological and/or topographical conditions. The Order to Show Cause directed all interested parties to notify the Board, in writing, on or before the 20th day of August, 1976, and thereafter to appear before the Board on Wednesday, August 25, 1976, at 10:00 a.m., at the Division's Offices to show cause, why the Order should not be issued and 320-acre spacing established.

7. Thereafter, the Board on August 25, 1976, issued an amended Order to Show Cause and Notice of Hearing in this Cause number and that said notice 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, that said Order provided that as a result of amendments that had been made by the Applicant, as well as, additions by the Board, that the Order in this matter should include the following described lands:

Township 17 South, Range 23 East

|          |       |
|----------|-------|
| Sec. 1:  | N 1/2 |
| Sec. 2:  | All   |
| Sec. 3:  | All   |
| Sec. 10: | All   |
| Sec. 11: | W 1/2 |
| Sec. 14: | W 1/2 |
| Sec. 15: | All   |
| Sec. 22: | All   |
| Sec. 23: | All   |
| Sec. 24: | All   |
| Sec. 27: | All   |
| Sec. 34: | All   |

Township 17 South, Range 24 East

|          |       |
|----------|-------|
| Sec. 19: | N 1/2 |
| Sec. 20: | N 1/2 |
| Sec. 21: | N 1/2 |

Township 18 South, Range 23 East

|         |     |
|---------|-----|
| Sec. 3: | All |
|---------|-----|

And that the Order shall include in those lands described above, the Dakota, Cedar Mountain, Castlegate, and Morrison Formations; and that the well being permitted for each such drilling shall be located no closer than 1,000 feet from the spacing unit boundary, with a 500 foot tolerance, which would be granted administratively, for geological and/or topographical exceptions, and no closer than 2,500 feet from a producing well in the adjacent area, or the Westwater Unit, or the Horse Point Unit, and that a 500 foot tolerance be permitted in the footage between wells in the event surface obstructions or undue hazards

are encountered. That the Order to Show Cause requested all interested parties to give Notice either in writing on or before September 17, 1976, or to appear in person on Wednesday, September 22, 1976, at 10:00 a.m., in the Court Room, County Building, Vernal, Utah, to show cause, why the Order should not be issued and 320-acre spacing established on the lands described in this paragraph be established.

ORDER

IT IS THEREFORE ORDERED:

To prevent waste of oil, gas and associated hydrocarbons to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units of uniform size and shape, the Board hereby orders and decrees as follows:

That in respect to the following described lands:

Township 17 South, Range 23 East

|          |       |
|----------|-------|
| Sec. 1:  | N 1/2 |
| Sec. 2:  | All   |
| Sec. 3:  | All   |
| Sec. 10: | All   |
| Sec. 11: | W 1/2 |
| Sec. 14: | W 1/2 |
| Sec. 15: | All   |
| Sec. 22: | All   |
| Sec. 23: | All   |
| Sec. 24: | All   |
| Sec. 27: | All   |
| Sec. 34: | All   |

Township 17 South, Range 24 East

|          |       |
|----------|-------|
| Sec. 19: | N 1/2 |
| Sec. 20: | N 1/2 |
| Sec. 21: | N 1/2 |

Township 18 South, Range 23 East

|         |     |
|---------|-----|
| Sec. 3: | All |
|---------|-----|

That in the Dakota, Cedar Mountain, Castlegate, and Morrison Formations, that a well shall be permitted for drilling in each unit to provide for two 320-acre drilling and spacing units running in either a north or south or east or west direction, according to the Government



survey of the above described lands for the Dakota, Cedar Mountain, Castlegate, and Morrison Formations and that a well be permitted on such units to be located not nearer than 1,000 feet from the spacing unit boundary, with a 500 foot tolerance, to be granted administratively, for geological and/or topographical exceptions; and no closer than 2,500 feet from a producing well in the adjacent area, or the Westwater Unit, or the Horse Point Unit, and that a 500 foot tolerance is hereby permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

Entered this 22 day of <sup>Sept. 1976</sup>~~February~~, 1977.

BOARD OF OIL AND GAS CONSERVATION  
OF THE STATE OF UTAH

By Lucy N. Carlson

By C. R. Henderson

By Robert M. Pomeroy

By J. Daniel Stewart

By Myrtle Lee