

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

IN THE MATTER OF THE APPLICATION  
OF CHAMPLIN OIL & REFINING CO. and  
MURPHY CORPORATION for an Order  
Establishing 80-Acre Drilling and  
Spacing Units for the Development  
and Production of Oil from the  
Lower Ismay Zone in Sections 11, 12,  
13, 14, 23 and 24, T. 43 S., R. 24 E.,  
S.L.M. and Sections 7, 18 and 19,  
T. 43 S., R. 25 E., S.L.M., ANIDO  
CREEK AREA, SAN JUAN COUNTY, UTAH

ORDER ALLOWING  
INTERVENTION

Cause No. 48

-----000000000000-----

Upon the motion of The Superior Oil Company, a corporation,  
and good cause appearing, therefor

IT IS HEREBY ORDERED that The Superior Oil Company, a  
corporation, be, and it hereby is granted leave to intervene as  
an applicant in the above entitled cause.

Dated this 7th day of March, 1961.

STATE OF UTAH

OIL AND GAS CONSERVATION COMMISSION

  
Chairman

BEFORE THE OIL AND GAS CONSERVATION COMMISSION

OF THE STATE OF UTAH

-----

IN THE MATTER OF THE APPLICATION )  
OF CHAMPLIN OIL & REFINING CO. )  
AND MURPHY CORPORATION FOR AN ORDER )  
ESTABLISHING 80-ACRE DRILLING AND )  
SPACING UNITS FOR THE DEVELOPMENT )  
AND PRODUCTION OF OIL FROM THE )  
LOWER ISMAY ZONE IN SECTIONS 11, )  
12, 13, 14, 23 AND 24, T. 43 S., )  
R. 24 E., SLM AND SECTIONS 7, 18 )  
AND 19, T. 43 S., R. 25 E., SLM, )  
ANIDO CREEK AREA, SAN JUAN COUNTY, )  
UTAH )

CAUSE NO. 48

FINDINGS OF FACT,  
CONCLUSIONS OF LAW  
AND ORDER

-----

The above captioned Cause No. 48 is before the Oil and Gas Conservation Commission on the application of Champlin Oil & Refining Co. and Murphy Corporation for an order establishing 80-acre drilling and spacing units for the Lower Ismay Zone in an area defined in the application, and upon the application in intervention of The Superior Oil Company, requesting that any order entered by the Commission include the Desert Creek Formation as well as the Lower Ismay Zone. A hearing was held on the application, and on the application in intervention, on March 7, 1961. No objection was made to the application or to the application in intervention, and witnesses were called and evidence taken in support of both the application and the application in intervention. Upon the conclusion of the hearing the attorney for the applicant was directed to prepare an order establishing 80-acre drilling and spacing units with regard to both the Lower Ismay Zone and the Desert Creek Formation for the area defined in the application.

NOW THEREFORE, after due and careful consideration, this Commission makes the following Findings of Fact and Conclusions of Law:

FINDINGS OF FACT

1. The area involved in this cause, and which is hereinafter for convenience referred to as the "Anido Creek Area,"

lies within San Juan County, Utah. Although no official government survey of such lands has yet been made, a private survey has been made with ties to governmental corners. When officially surveyed, the lands should be described as follows:

T. 43 S., R. 24 E., SLBM

Sec. 11: All  
Sec. 12: All  
Sec. 13: All  
Sec. 14: All  
Sec. 23: All  
Sec. 24: All

T. 43 S., R. 25 E., SLBM

Sec. 7: All  
Sec. 18: All  
Sec. 19: All

2. The Lower Ismay Zone and the Desert Creek Formation are continuous over the Anido Creek Area and constitute common sources of supply. <sup>In Champlin Murphy No. 111-1 well</sup> [The Lower Ismay Zone is found at a depth of approximately 5,297 feet below the surface of the ground, and the Desert Creek Formation is found at a depth of approximately 5,393 feet below the surface of the ground. Both the Lower Ismay Zone and the Desert Creek Formation consist essentially of carbonate material, composed of a highly fossiliferous limestone and dolomite.

3. The original reservoir pressure in the Lower Ismay Zone at a datum of 176 feet subsea was approximately 1,987 pounds per square inch.

4. Reduced formation pressures which have been found upon the completion of new wells show that drainage of oil has occurred from under the locations of the newly drilled wells by reason of production from earlier drilled wells.

5. One well to each 80 acres will efficiently and economically drain the reservoir as found in and underlying the Anido Creek Area.

6. Eighty-acre spacing and drilling units for the Anido Creek Area should be established in order to prevent waste, to avoid the drilling of unnecessary wells and to protect the correlative rights of interested parties. No more than one well should be drilled on any such unit for the production of oil

from the Lower Ismay Zone and the Desert Creek Formation.

7. The drilling and spacing units for the Anido Creek Area should be formed by dividing each governmental quarter section into two such units to consist respectively of the  $E\frac{1}{2}$  of such quarter section and  $W\frac{1}{2}$  of such quarter section.

8. Except as may be hereafter ordered by the Commission, after notice and hearing, and as hereinafter provided, the permitted well for a spacing unit should be located in either the  $NE\frac{1}{4}$  of a governmental quarter section or in the  $SW\frac{1}{2}$  of a governmental quarter section and should be not less than 500 feet from any property or lease line or governmental quarter-quarter section line.

9. Wherever reference is made herein to a "governmental quarter section" or to any subdivision thereof or to a governmental quarter-quarter section" or to any specific description by subdivision, section, township and range, such reference is intended, in the case of surveyed lands, to refer to the indicated quarter section, quarter-quarter section, or other legal subdivision as determined by the government survey and is intended, in the case of unsurveyed lands or of partially surveyed lands, to refer to the indicated quarter section, quarter-quarter section, or other legal subdivision, as determined by and through projection or protraction from existing township surveys and/or existing township boundary line surveys.

10. The following matters should be specifically reserved from this order:

- (a) Whether, if a well is completed as a producer in the Lower Ismay Zone or in the Desert Creek Formation, a subsequent "twin" well may be drilled on the same drilling and spacing unit to the zone or formation in which the first well was not completed as a producer.
- (b) Whether one well may be dually completed to produce from both the Lower Ismay Zone and the Desert Creek

Formation.

- (c) Whether one well may be completed in both the Lower Ismay Zone and the Desert Creek Formation so as to commingle the oil through the same string of casing.

#### CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter of this cause and over the lessees and operators in the area involved. Notice of the hearing in this cause was given in all respects as required by law.

2. The Lower Ismay Zone and the Desert Creek Formation are continuous under the Anido Creek Area, as such area is defined in Finding 1 of the foregoing Findings, and they constitute common pools or sources of supply.

3. One well to each 80-acres will efficiently and economically drain the said pools or common sources of supply as found in and underlying the Anido Creek Area.

4. The establishment of 80-acre spacing and drilling units for the Anido Creek Area is necessary to prevent waste, to avoid the drilling of unnecessary wells and to protect the correlative rights of interested parties.

5. The shape and pattern of the spacing units for the Anido Creek Area should be as set forth and defined in Finding 7 of the foregoing Findings.

6. No more than one well should be drilled on any such spacing or drilling unit for the production of oil or gas from the Lower Ismay Zone and the Desert Creek Formation.

7. The locations or patterns of the permitted wells should be as set forth in Finding 8 of the foregoing Findings.

8. The application of Champlin Oil & Refining Co. and Murphy Corporation, and the application in intervention of The Superior Oil Company, for the issuance by this Commission of an Order establishing 80-acre spacing should be granted.

ORDER

IT IS THEREFORE ORDERED by the Commission as follows:

1. That 80-acre drilling and spacing units be and the same are hereby established for the production of oil from the Lower Ismay Zone and the Desert Creek Formation underlying the Anido Creek Area as above defined;

2. That the shape and pattern of such drilling and spacing units shall be as set forth and defined in Finding 7 of the foregoing Findings;

3. That no more than one well shall be drilled on any such unit for the production of oil from the Lower Ismay Zone and the Desert Creek Formation;

4. That the location of the permitted well for each such unit shall be as set forth and defined in Finding 8 of the foregoing Findings, provided, however, that an exception in respect to the location of a permitted well may be had without notice or hearing upon the filing with the Commission of an application showing that the proposed exception location is within the quarter-quarter section specified hereunder as the situs for the permitted well; that topographic conditions exist which reasonably require a well location nearer than 500 feet to one or more boundaries of said quarter-quarter section; and either that the ownership of all oil and gas leases within a radius of 660 feet of the proposed exception location is common with the ownership of the oil and gas leases upon the proposed exception location or that all owners of oil and gas leases within such radius have consented in writing to the proposed exception location.

5. That the following matters are specifically reserved to the Commission, to be determined following subsequent notice and hearing:

- (a) Whether, if a well is completed as a producer in the Lower Ismay Zone or in the Desert Creek Formation, a subsequent "twin" well may be drilled on

the same drilling and spacing unit to the zone or formation in which the first well was not completed as a producer.

(b) Whether one well may be dually completed to produce from both the Lower Ismay Zone and the Desert Creek Formation.

(c) Whether one well may be completed in both the Lower Ismay Zone and the Desert Creek Formation so as to commingle the oil through the same string of casing.

6. That nothing in the foregoing Findings of Fact or Conclusions of Law or in this Order is intended or shall be construed in any manner to determine or affect any question relating to the boundaries of any lease or the title to any lands or to determine the rights of any party in respect to any voluntary or involuntary pooling of interests within any hereby established spacing or drilling unit.

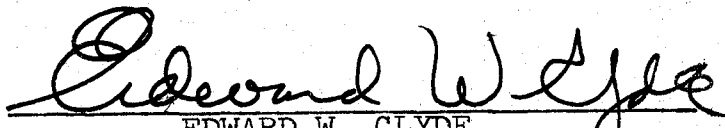
7. That this Order shall be effective forthwith; and

8. That the Commission retains continuing jurisdiction of all matters covered by this Order.

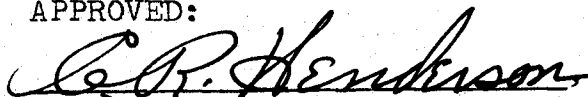

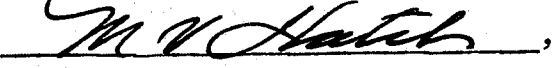
DATED this 7 day of March, 1961.

By order of

THE OIL AND GAS CONSERVATION COMMISSION  
OF THE STATE OF UTAH

  
EDWARD W. CLYDE,  
Commissioner Presiding

APPROVED:

 Chairman  
, Commissioner  
, Commissioner  
\_\_\_\_\_, Commissioner