

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

In the Matter of the)	
Application of SANTANA)	
EXPLORATION, INC. for an)	ORDER
Order Vacating the Order)	
Issued in Cause No. 48)	Cause No. 48-2
Insofar as that Order Applies)	
to Certain Lands Within the)	
Anido Creek Area, San Juan)	
County, Utah)	

This Cause came on regularly for hearing before the Board of Oil, Gas, and Mining on Thursday, February 25, 1982, at 10:00 a.m., in Room 303 of the State Capitol in Salt Lake City, Utah, pursuant to Notice of Hearing issued by the Board on February 5, 1982. The following Board members were present:

Charles R. Henderson, Chairman
John L. Bell
Edward T. Beck
Robert R. Norman
Margaret R. Bird
Herm Olsen

Appearance was made by Phillip Wm. Lear of Van Cott, Bagley, Cornwall & McCarthy for and on behalf of the Applicant, Santana Exploration, Inc.

NOW THEREFORE, the Board, having fully considered the testimony adduced and the exhibits received at the hearing of February 25, 1982, and being fully advised in the premises, now makes and enters its Findings of Fact and Order as follows:

FINDINGS OF FACT

1. This matter came on regularly for hearing before the Board on Thursday, February 25, 1982, at 10:00 a.m., in Room 303, of the State Capitol in Salt Lake City, Utah.

2. Appearance for and in behalf of the Applicant, Santana Exploration, Inc., was made by Phillip Wm. Lear of Van Cott, Bagley, Cornwall & McCarthy. No other appearances by interested parties were made either individually or as represented by counsel.

3. Due and regular notice of the time, place, and purpose of this February 25, 1982 hearing was given to all interested parties in the form and manner and within the time required by law in the rules and regulations of the Board.

4. No objections were received and no appearances were made entering objections to the Application.

5. The Board of Oil, Gas, and Mining has jurisdiction over all matters covered by said Application and over all parties interested therein and has the power and authority to make and promulgate the order hereinafter set forth.

6. By Order dated March 7, 1961, in Cause No. 48, the Board established stand-up 80-acre drilling and spacing units for the production of oil and gas from the Lower Ismay Zone and the Deseret Creek formation underlying lands in San Juan County, Utah, which when surveyed would conform to the following description, to-wit:

Township 43 South, Range 24 East, SLM

Section 11: All
Section 12: All
Section 13: All
Section 14: All
Section 23: All
Section 24: All

Township 43 South, Range 25 East, SLM

Section 7: All
Section 18: All
Section 19: All

Said lands were at the time of the Order in Cause No. 48 and currently remain unsurveyed lands. All references in said original Order and in this Order to governmental quarter-sections or subdivisions thereof are intended to refer to governmental quarter-sections or subdivisions thereof as determined by projection or protraction from existing survey boundary lines.

7. The drilling and spacing units established by said Order conformed to the $E\frac{1}{2}$ and to the $W\frac{1}{2}$ of each governmental survey quarter-section, thereby creating stand-up 80-acre spacing. Only one well was permitted on each drilling or spacing unit for production of oil or gas from the Lower Ismay Zone and the Desert Creek formation.

8. The permitted well location was in the $NE\frac{1}{4}$ or in the $SW\frac{1}{4}$ of each quarter-section, not fewer than 500 feet from any property or lease line or governmental quarter-section line.

9. Since entry of said original Order, nine wells have been drilled in the Anido Creek Area to test the Lower Ismay Zone and Desert Creek formation.

10. Four wells, the Champlin Nos. III-1 and III-2 Wells in the $NE\frac{1}{4}$ of Section 13 of Township 42 South, Range 24 East, SLM; the Superior No. 14-7 Well in the $SW\frac{1}{4}SW\frac{1}{4}$ of Section 7 and the Sinclair No. 1-5 Well in the $SW\frac{1}{4}NW\frac{1}{4}$ of Section 18, both in Township 42 South, Range 24 East, SLM have produced oil continuously since 1961.

11. Said wells are nearing the end of primary production, and a secondary recovery program is needed to recover additional oil.

12. Applicant is the sole general partner of Bermuda Exploration (a limited partnership) who is assignee of assignments of leases, operating rights, and working interests, in those lands for which vacation of the Order in Cause No. 48 is sought.

13. Applicant is also the designated operator for the drilling of the Anido Creek No. 13-42 Well in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13 of Township 42 South, Range 24 East, SLM.

14. Applicant is currently drilling said Anido Creek No. 13-42 Well to the Desert Creek formation. That well is located 1,980 feet from the north line and 660 feet from the east line in the SE $\frac{1}{4}$ NE $\frac{1}{4}$ of Section 13 of Township 43 South, Range 24 East, SLM. Said well is being drilled as an exception well, pursuant to Order of this Board entered on January 28, 1982.

15. Geological and engineering data obtained from drilling and development operations conducted in the Anido Creek Area since 1961 and from related technical studies conducted on the Anido Creek Area of San Juan County, Utah, within and beyond the area affected by this Application, indicates that forty acre spacing for oil and 640 acre spacing for gas will adequately drain oil and gas from the Lower Ismay Zone and Desert Creek formation under the following-described lands:

Township 43 South, Range 24 East, SLM

Section 13: NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$,
NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

Township 43 South, Range 25 East, SLM

Section 7: SW $\frac{1}{4}$
Section 18: W $\frac{1}{2}$ NW $\frac{1}{4}$

(containing 421.15 acres, more or less)

Said lands are underlain by a common source of supply from

which oil, gas, and associated hydrocarbons can be produced from the Lower Ismay Zone and from the Desert Creek formation.

16. The development of production of oil and gas from said lands and intervals can be effectively achieved under authority of field rule C-3 of the Rules and Regulations of the Board providing for 640 acre spacing for gas wells and forty acre spacing for oil wells.

17. In order to permit orderly and uniform spacing and development within the field, to prevent waste and to avoid the drilling of unnecessary wells, to protect correlative rights and to achieve the greatest possible economic recovery of oil, gas, and associated hydrocarbons, further development may be had under said state-wide spacing.

ORDER

IT IS THEREFORE ORDERED that the Order entered in Cause No. 48 which established stand-up 80-acre spacing in the Anido Creek Area be vacated as to the following-described lands:

Township 43 South, Range 24 East, SLM

Section 13: NE $\frac{1}{4}$, NW $\frac{1}{4}$ NW $\frac{1}{4}$ SE $\frac{1}{4}$,
NE $\frac{1}{4}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$

Township 43 South, Range 25 East, SLM

Section 7: SW $\frac{1}{4}$
Section 18: W $\frac{1}{2}$ NW $\frac{1}{4}$

It is further ordered that:

1. All lands originally spaced under the Order in Cause No. 48 and which are not the subject of this Order shall remain subject to the Order in said Cause No. 48.

2. Further development of the lands for which the Order in Cause No. 48 was vacated shall proceed under Rule C-3 of the Rules and Regulations of the Board pertaining to state-

wide spacing.

3. The Board retains controlling jurisdiction over all matters covered by this Order and all other applicable orders and over all parties affected thereby and retains and reserves continuing jurisdiction to make further orders as it deems appropriate and as authorized by the statutes and applicable regulations.

Entered this 25th day of February, 1982.


BOARD OF OIL, GAS, AND MINING


Charles R. Henderson, Chairman


John L. Bell

~~E. Stuart McIntyre~~

Edward T. Beck


Robert R. Norman


Margaret R. Bird


Herm Olsen