

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

IN THE MATTER OF THE APPLICATION,)
AS AMENDED, OF)
PUBCO PETROLEUM CORPORATION FOR)
AN ORDER ESTABLISHING 320 ACRE)
DRILLING AND SPACING UNITS FOR)
THE DEVELOPMENT AND PRODUCTION)
OF GAS FROM THE PRODUCING)
HORIZON OF THE MISSISSIPPIAN FORMATION,)
LISBON VALLEY AREA, SAN JUAN COUNTY,)
UTAH)

CAUSE NO. 70

FINDINGS OF FACT,
CONCLUSIONS OF LAW
AND ORDER

The above captioned Cause No. 70 is before the Oil and Gas Conservation Commission on the application of Pubco Petroleum Corporation for an order establishing 320-acre drilling and spacing units for the producing horizon of the Mississippian Formation in an area therein defined. By application dated October 27, 1961 Pubco Petroleum Corporation applied for an order establishing 640-acre drilling units for the Lisbon Valley Area of San Juan County, Utah, as to the producing horizon of the Mississippian Formation. Said matter was finally set for hearing before the Oil and Gas Conservation Commission of Utah on May 11, 1962. Pubco Petroleum Corporation's original application as filed as aforesaid was, at such hearing, amended with respect to the size and shape of the drilling units applied for, the area for which such drilling units was to be established and the location of permitted wells within specific drilling and spacing units. A witness was called and evidence was taken in support of said application. Upon conclusion of the hearing the attorney for the applicant was directed to prepare an order establishing 320-acre

drilling and spacing units with regard to the producing horizon of the Mississippian Formation for the area defined in said application, as amended.

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, which is hereinafter for convenience referred to as the "Lisbon Valley Area", lies within San Juan County, Utah. The lands in said Lisbon Valley Area are described as follows:

Township 30 South, Range 25 East, S. L. M.

Section 8: ALL
Section 16: ALL
Section 17: ALL
Section 20: ALL
Section 21: ALL
Section 22: ALL
Section 26: ALL
Section 27: ALL
Section 28: ALL
Section 29: ALL
Section 32: ALL
Section 33: ALL
Section 34: ALL
Section 35: ALL
Section 36: ALL

The Applicant has drilled a well on the above described lands at a location in the NW $\frac{1}{4}$ of Section 21, Township 30 South, Range 25 East, S. L. M., which well is capable of producing gas from the producing horizon of the Mississippian Formation. Available geological and engineering data obtained in the course of drilling of said well indicates a common accumulation of gas contained in the Mississippian Formation underlying the above described lands.

2. Three hundred twenty-acre spacing and drilling units for the Lisbon Valley 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. At this time the establishment of drilling units of 320-acres would insure proper and efficient development of the hereinabove mentioned lands and promote the conservation of gas resources of the State of Utah.

The drilling and spacing units for the Lisbon Valley Area should be formed by dividing each governmental section into two units to consist, respectively, of the East half and West half or North half and South half of such section.

Except as may be hereafter ordered by this Commission, after notice and hearing, and as hereinafter provided, the permitted well for a drilling and spacing unit should be located in either the North West quarter or in the South East quarter of a governmental section and should not be less than 500 feet from the quarter section line of the specified quarter section upon which such well is to be located.

CONCLUSIONS OF LAW

The Commission has jurisdiction over the subject matter of this cause and over the lessees and operators in the area involved. Notice of hearing in this cause was duly given in all respects as required by law. The application, as amended, of Pubco Petroleum Corporation for the issuance by this Commission of an order establishing 320-acre drilling and spacing units should be granted.

ORDER

IT IS THEREFORE ORDERED, by this Commission as follows:

1. Three hundred twenty-acre drilling and spacing units be and the same are hereby established for the production of gas from the producing horizon of the Mississippian Formation underlying the Lisbon Valley Area as above defined.
2. The shape and pattern of such drilling and spacing units, with a definition of the location of a permitted well on each

drilling and spacing unit, are and the same shall be as follows:

| <u>DRILLING UNIT NO.</u> | <u>DRILLING UNIT DESCRIPTION LISBON VALLEY AREA</u> | <u>PERMITTED WELL LOCATION</u> |
|------------------------------|---|------------------------------------|
| | Township 30 South, Range 25 East, S. L. M. | |
| 1 | Section 8: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 2 | Section 8: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 3 | Section 16: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 4 | Section 16: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 5 | Section 17: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 6 | Section 17: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 7 | Section 20: N $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 8 | Section 20: S $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 9 | Section 21: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 10 | Section 21: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 11 | Section 22: N $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 12 | Section 22: S $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 13 | Section 26: N $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 14 | Section 26: S $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 15 | Section 27: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 16 | Section 27: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 17 | Section 28: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 18 | Section 28: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 19 | Section 29: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 20 | Section 29: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 21 | Section 32: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 22 | Section 32: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 23 | Section 33: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 24 | Section 33: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |

| <u>DRILLING UNIT NO.</u> | <u>DRILLING UNIT DESCRIPTION LISBON VALLEY AREA</u> | <u>PERMITTED WELL LOCATION</u> |
|------------------------------|---|------------------------------------|
| 25 | Section 34: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 26 | Section 34: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 27 | Section 35: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 28 | Section 35: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |
| 29 | Section 36: W $\frac{1}{2}$ | NW $\frac{1}{4}$ |
| 30 | Section 36: E $\frac{1}{2}$ | SE $\frac{1}{4}$ |

3. Each such well shall be drilled only at the location herein authorized and, unless expressly authorized by this Commission after notice and hearing duly had, no such permitted well shall hereafter be located closer than 500 feet from the exterior lines of the quarter section sub-division within the drilling unit upon which such well is to be located.

4. Pubco Petroleum Corporation No. 2-21F Lisbon Well is hereby designated as the drilling unit well for drilling unit No. 9.

5. This order shall become effective forthwith.

6. This Commission retains continuing jurisdiction over all matters covered by this order.

Ordered as of the 11th day of May, 1962

By Order of

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH

W. G. Mann

W. G. MANN, Commissioner, Presiding

C. R. Henderson

C. R. HENDERSON, Chairman of the Commission

C. S. Thompson

C. S. THOMPSON, Commissioner

M. VICTOR HATCH, Commissioner

Bryant H. Croft

BRYANT H. CROFT, Commissioner