

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

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IN THE MATTER OF THE REQUEST :	ORDER
FOR AGENCY ACTION OF SPLIT ROCK	
OIL INC. FOR A 40-ACRE DRILLING :	DOCKET NO. 88-017
AND SPACING UNIT FOR THE GREEN	CAUSE NO. 129-5
RIVER FORMATION IN THE COYOTE :	
BASIN FIELD, UINTAH COUNTY,	
UTAH :	

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This matter was heard before the Board of Oil, Gas and Mining at its regularly scheduled meeting at 10:00 a.m. on October 27, 1988, in the boardroom of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman
James W. Carter
John M. Garr
Charles R. Henderson
Richard B. Larsen
E. Steele McIntyre

The Board was represented by Alan S. Bachman, Assistant Attorney General.

The following staff members of the Division of Oil, Gas and Mining were present and participated in the hearing:

Dr. Dianne R. Nielson, Director
Ronald J. Firth, Associate Director, Oil and Gas
John R. Baza, Petroleum Engineer

Ray Kerns, Geologist, Utah Geological and Mineral Survey was present and participated on behalf of the Division.

The Division was represented by Barbara W. Roberts, Assistant Attorney General.

Mr. John Adamson, Agent for Split Rock Oil, Inc., appeared for the Petitioner.

Mr. Jerry Kenczka, Petroleum Engineer, appeared for the Bureau of Land Management.

The Board, having considered the testimony, exhibits, and evidence presented and the statements made by the participants at the hearing, now makes and enters the following:

Findings

1. Due and regular notice of the time, place, and purpose of this hearing was given to all interested persons in accordance with applicable law, rules, and practices of the Board.
2. The Request for Agency Action (Petition) in this matter was properly before the Board at the hearing, and the Board has jurisdiction to make and promulgate the Order in this matter.
3. The Oil and Gas Conservation Commission by Order dated September 13, 1967, in Cause No. 129-1, established drilling and spacing units of approximately 80 acres for the production of oil from the Green River Formation under certain lands including:

Township 8 South, Range 25 East, S.L.M.
Section 7: W1/2 NW1/4

The Amerada No. 1 U.S.A. Guinand Well located in the SW1/4 NW1/4, Section 7, was the permitted well for Drilling Unit No. 47, W1/2 NW1/4, Section 7, at the time the Order in Cause No. 129-1 was effected.

4. The Petitioner alleges, and the Bureau of Land Management concurs, that there is no record or notification that a pooling or communitization agreement was ever effected following the establishment of the 80-acre drilling unit, W1/2 NW1/4, Section 7.
5. Ownership of the Amerada No. 1 U.S.A. Guinand Well and assignment of the 40-acre federal lease (SW1/4 NW1/4) has changed several times over the years, and the division of royalty interest has been made only with regard to the 40-acre lease (SW1/4 NW1/4, Section 7).
6. The Bureau of Land Management has advised the petitioner that the matter might be resolved by either effecting a communitization agreement or seeking a modification of the spacing order.
7. Section 40-6-6(4) states that the Board may modify an order establishing drilling units to decrease or increase the size of the drilling units or permit additional wells to be drilled within the established units.
8. Support for modification of the order establishing drilling units in this cause includes the inferred geologic reasons as indicated by the actions of the Bureau of Land Management and the actions of the various lessees over time.

ORDER

It is therefore ordered by the Board that:

1. The Order in Cause No. 129-1 be modified to establish 40-acre drilling units for the production of oil from the Green River Formation under the following lands:

Township 8 South, Range 25 East, S.L.M.

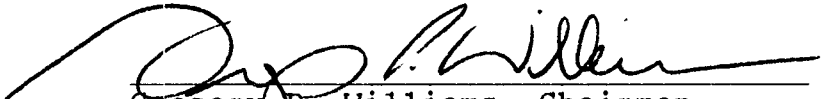
Section 7: NW1/4 NW1/4

Section 7: SW1/4 NW1/4

2. The Order in Cause No. 129-1 shall remain in effect for the remainder of the lands within Section 7.

Dated this 14th day of ~~December~~ ^{January}, 1988⁹.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Gregory P. Williams, Chairman