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

IN THE MATTER OF THE APPLICATION OF)
CHEVRON OIL COMPANY, WESTERN DIVISION)
FOR AN ORDER EXTENDING PRIOR ORDERS	ORDER ORDER
OF THE BOARD IN CAUSE NO. 131-14,)
TO COVER ADDITIONAL LANDS) <u>CAUSE NO. 131-24</u>
OUTSIDE OF THE BLUEBELL FIELD,)
UINTAH COUNTY, UTAH)

Pursuant to Notice of Hearing dated November 13, 1973, of the Board of Oil and Gas Conservation, Department of Natural Resources of the State of Utah, said Cause came on for hearing on December 19, 1973, at 10:00 a.m., in the Wildlife Resources' Auditorium, 1596 West North Temple, Salt Lake City, Utah.

At said time and place the hearing on said Cause was continued to 10:00 a.m., January 16, 1974.

Pursuant to said continuance said Cause No. 131-24 came on for hearing before said Board at 10:00 a.m., on Wednesday, January 16, 1974, in the Executive Conference Room, Holiday Inn, 1695 West North Temple, Salt Lake City, Utah. The following Board members were present:

Guy N. Cardon, Chairman, Presiding

Charles R. Henderson

Robert R. Norman

Hyrum L. Lee

Also present:

Cleon B. Feight, Esq., Director, Division of Oil and Gas Conservation

Paul W. Burchell, Chief Petroleum Engineer, Division of Oil and Gas Conservation

C. J. Curtis, Area Supervisor, United States Geological Survey, Casper, Wyoming

Gerald Daniels, District Petroleum Engineer, United States Geological Survey, Salt Lake City, Utah

Adelyn Logan, Realty Officer, Bureau of Indian Affairs, Fort Duchesne, Utah

Appearances were made as follows:

For Chevron Oil Company, Western Division:

For Shell Oil Company:

William M. Balkovatz, Esq. Denver, Colorado

D. F. Gallion, Esq. Houston, Texas

For John Daniels

C. B. Feight, Esq. Salt Lake City, Utah Appeared for Geo. E. Mangan, Esq., Roosevelt, Utah

For Himself:

Lou Cheney Royalty Owner

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:

FINDINGS

- 1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the rules and regulations of the Board.
- 2. The Board has jurisdiction over the matters covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate and Orders hereinafter set forth.
- 3. By Order designated Cause No. 131-14, dated August 11, 1971, the Board, in addition to other matters ordered therein, established drilling units comprising each governmental section or governmental lots corresponding thereto, for the production of oil, gas and associated hydrocarbons from the interval, described in Paragraph 4(b) thereof, underlying the lands described and referred to in said Cause No. 131-14.
- 4. Further drilling and development operations and the information obtained therefrom, subsequent to the date of the Orders entered in said Cause No. 131-14, indicate that the Orders of the Board contained therein should now be extended as follows:
 - (a) That the lands known and believed to be underlain by the common source of supply from which oil, gas and associated hydrocarbons can be produced include all of the lands described and referred in said Cause No. 131-14 and the following lands situated in Uintah County, Utah, to wit:

Township 1 South, Range 1 East, USM Sec. 34: Sec. 31: A11 A1.1 Sec. 35: Sec. 32: A11 A11 Sec. 36: A11 Sec. 33: A1.1 Township 2 South, Range 1 East, USM Entire Township That the spaced interval underlying the lands described in Paragraph 4(a) above, should be that interval described in Paragraph 4(b) of said Cause No. 131-14. 5. To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, and to protect correlative rights, drilling units of uniform size and shape should be established for such common source of supply underlying the lands described in Paragraph 4(a) above. 6. One well on a 640-acre tract will efficiently and economically drain the recoverable oil, gas and associated hydrocarbons from the aforesaid referred to interval underlying the lands described in Paragraph 4(a) above, and that a 640-acre drilling unit is not larger than the maximum area that can be efficiently and economically drained by one well. That the permitted well, within each such 640-acre drilling unit, should be located as now prescribed by Ordering Paragraph (c) of said Cause No. 131-14. ORDERIT IS THEREFORE ORDERED: That effective on the entry date of this Order any and all Orders of the Board heretofore promulgated which are inconsistent with the Orders herein set forth shall be and are hereby vacated. (b) That 640-acre drilling units be and the same are hereby established comprising each governmental section or governmental lots corresponding thereto, for the development and production of oil, gas and associated hydrocarbons from the interval referred to in Paragraph 3 above, underlying the lands described in Paragraph 4(a) above. That the permitted well, within each drilling unit prescribed in Ordering Paragraph (b) hereof, shall be located as now set forth in Ordering Paragraph (c) of said Cause No. 131-14. That as hereby modified the Orders of the Board in said Cause No. 131-14 shall continue in effect and are hereby extended to cover the lands described in Paragraph 4(a) above. -3-

- (e) That this Order is a temporary Order and the Board, on its own motion, or any interested party may file an application requesting a hearing to present new evidence concerning the matters set forth herein.
- (f) That the Board retains exclusive continuing jurisdiction of all matters covered by this Order and of all parties affected thereby and particularly that the Board retains and reserves exclusive and continuing jurisdiction to make further orders as appropriate as authorized by statute and applicable regulations.

ENTERED AND EFFECTIVE this 16th day of January, 1974.

BOARD OF OIL AND GAS CONSERVATION OF THE STATE OF UTAH

Guy N. Cardon, Chairman

Charles R. Henderson

Robert R. Norman

Hyrum L. Lee