

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

IN THE MATTER OF THE
APPLICATION OF SONAT
EXPLORATION COMPANY FOR
AN ORDER MODIFYING AND
EXTENDING PRIOR ORDERS OF
THE BOARD IN CAUSE NUMBERS
131-11 AND 131-14 TO COVER
ADDITIONAL LANDS WITHIN AND
OUTSIDE OF THE BLUEBELL
FIELD, DUCHESNE AND Uintah
COUNTIES, UTAH.

ORDER

CAUSE NO. 131-51

Pursuant to Notice of Hearing dated September 9, 1983, of the Board of Oil and Gas and Mining, Department of Natural Resources, State of Utah, this cause came on for hearing before said Board at 10:00 a.m. on Thursday, September 22, 1983, in the auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah. The following board members were present:

Gregory P. Williams, Esq., Chairman Presiding

John M. Garr

Charles R. Henderson

E. Steele McIntyre

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Richard B. Larsen

Constance J. Lundberg

Also present:

G. A. (Jim) Shirazi, Director, Division of Oil, Gas
and Mining

Barbara W. Roberts, Assistant Attorney General

Ronald J. Firth, Chief Petroleum Engineer, Division of
Oil, Gas and Mining

Ray Kerns, Petroleum Geologist, Utah Geological &
Mineral Survey

Appearances were made as follows:

For Sonat Exploration Company:

Lane Jamison,
Houston, Texas;
Andrew W. Buffmire,
Salt Lake City, Utah

Vernon O.
Carmichael,
Houston, Texas;
Timothy E. Sguyres,
Houston, Texas

For Ralph Dart:

Bert L. Dart, Salt
Lake City, Utah

For Bow Valley Petroleum, Inc.:

Jeffrey R. Young,
Denver, Colorado

For herself:

Ione R. Tippetts

Letters in Support of the Application were received
from:

Southland Royalty Company by David J. Shaffer

D & N Oil Properties by Steven W. Davis

NOW, THEREFORE, the Board having considered the testimony introduced and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following Order:

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law, and the rules and regulations of the board.

2. The board has jurisdiction over the matter covered by said notice and over all parties interested therein, and has jurisdiction to make and promulgate the order hereinafter set forth.

3. The board, by Order entered in Cause No. 131-14, dated August 11, 1971, 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, and by subsequent and further orders of the board have incorporated additional lands into the area covered by said order (the total area known as the "Bluebell Spaced Area").

4. Further drilling and development operations subsequent to entry of the prior orders concerning the Bluebell Spaced Area, and information and data obtained therefrom, indicate that the pool of hydrocarbons presently producing in the spaced interval of the Bluebell Area, as defined in paragraph 4(b) of the Order entered in Cause No. 131-14 also underlies at the same interval additional lands lying generally south of the existing Spaced Area, as follows:

- (a) The lands known and believed to be underlain by the same pool include, in addition to the lands covered by the Bluebell Spaced Area, the following described lands:

Township 3 South, Range 1 West, U.S.M.
Sections 4, 5, 6, 7, 8, 9, 16, 17 and 18.

Township 3 South, Range 2 West, U.S.M.
Sections 1, 2, 3, 10, 11, 12, 13, 14, and 15.

- (b) The spaced interval underlying the lands described in paragraph 4(a) above is defined as:

That interval below the stratigraphic equivalent of 9600 feet depth in the "E" log of the Carter No. 2 Bluebell well, located in the SW 1/4, NW 1/4, Section 3, Township 1 South, Range 2 West, U.S.M. (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron No. 1 Blanchard Well, located in the NW 1/4, SE 1/4 of said section 3) to the base of the Green River-Wasatch formations.

5. That one well on a 640 acre tract will efficiently and economically drain recoverable oil, gas and associated hydrocarbons from the aforesaid described 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.

6. That in conformity with Cause No. 131-14 and subsequent orders of the Board expanding the Bluebell Spaced Area, that the permitted well location shall be located no closer than 1320 feet from the exterior boundary of any governmental section, with the exception of existing wells as provided for in paragraph 7 below; provided that an exception to said 1320 foot limitation may be granted administratively without a hearing where a topographical exception is deemed necessary.

7. That the board finds that the wells located in Section 7, Township 3 South, Range 1 West, U.S.M., and in Section 2, Township 3 South, Range 2 West, U.S.M., known as the Sonat Dean 1-7C1 Well, and the Sonat Washburn 1-2C2 Well, shall be the permitted wells respectively for said sections, and that for each of said wells and said sections, drilling units of 640 acres covering each section respectively are and shall have been established since initial drilling of each well.

8. That the Board determines that while the area sought to be spaced in this proceeding overlies the same pool at the same interval as the Bluebell Spaced Area, for geological, geographical and other reasons, including but not limited to the speculative nature of drilling in the area covered by the lands described in paragraph 4(a) above that a separate Spaced Area adjacent to the Bluebell Spaced Area be created. This separate Spaced Area shall cover the lands and interval described in paragraph 4 above.

9. That any and all orders of the board heretofore promulgated concerning the Bluebell area, Duchesne and Uintah Counties, Utah, which are inconsistent with the orders hereinafter set forth, shall be vacated upon the effective date hereinafter set forth.

ORDER

IT IS THEREFORE ORDERED:

To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights, and to establish drilling units of uniform size and shape for the Bluebell area, Duchesne and Uintah Counties, Utah, the following order is hereby promulgated to govern operations in said area effective October 27, 1983:

(a) That upon said effective date, any and all orders of the board heretofore promulgated which are inconsistent with the order 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 in the interval described in paragraph 4(b) above, underlying the lands described in paragraph 4(a) above.

(c) That except for existing wells or deepening or plugging back thereof, the permitted well location shall be located no closer than 1320 feet from the exterior boundary of any governmental section; provided that an exception to said 1320 foot limitation may be granted administratively without a hearing where a topographical exception is deemed necessary.

(d) That the wells located in Section 7, Township 3 South, Range 1 West, and in Section 2, Township 3 South, Range 2 West, known as the Sonat Dean 1-7C1 and Sonat Washburn 1-2C2 wells respectively, shall be the permitted wells for each of said sections and that for each of said wells and said sections drilling units of 640 acres covering each section respectively are and shall have been established since initial drilling of each well.

(e) That a new Spaced Area is created covering the lands and interval described in paragraph 4 above.

(f) That the board retains continuing jurisdiction of all matters covered by this order, and all other applicable orders, and over all parties affected thereby, and, particularly, that the board retains and reserves continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

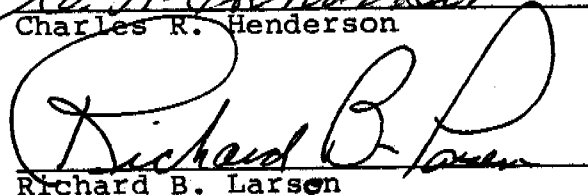
Entered this 27th day of October, 1983.

BOARD OF OIL, GAS AND MINING,
STATE OF UTAH


Gregory P. Williams, Chairman


John M. Gant


Charles R. Henderson


Richard B. Larson

Constance K. Lundberg
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E. Steele McIntyre
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0162B
AWB

Richard B. Larsen

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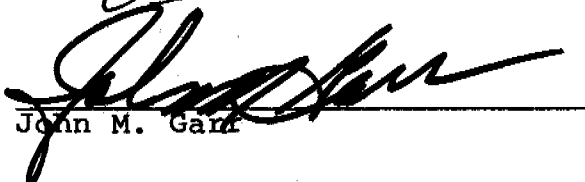
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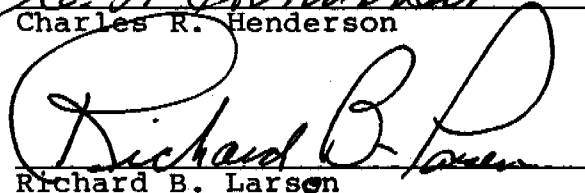
Entered this 27th day of October, 1983.

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