

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

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IN THE MATTER OF THE PETITION	:	ORDER
OF BOW VALLEY PETROLEUM INC.,	:	
FOR AN ORDER MODIFYING CAUSE	:	DOCKET NO. 84-057
ORDER 131-14 ONLY AS FAR AS	:	
SAID CAUSE ORDER AFFECTS	:	CAUSE NO. 131-60
SECTION 23, TOWNSHIP 1 NORTH,	:	
RANGE, 1 WEST, UINTAH COUNTY,	:	
UTAH	:	

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This Cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, at 10:00 A.M. Thursday, September 27, 1984, at the Price City Municipal Building, Price, Utah.

The following members of the Board were present:

Gregory P. Williams, Chairman
James W. Carter
John M. Garr
Charles R. Henderson
E. Steele McIntyre
Constance K. Lundberg

Also present representing the Division:

Dianne R. Nielson, Director
Ronald J. Firth, Associate Director, Oil and Gas
Barbara W. Roberts, Assistant Attorney General
John R. Baza, Petroleum Engineer

Appearances were made as follows:

Jeffrey R. Young, for Bow Valley Petroleum Inc.
Hugh C. Garner, for Western Alliance Petroleum Corp. and
Coastal Oil & Gas Corp.

Special appearance was made as follows:

Martin Seneca, for the Ute Tribe

Now, Therefore, the Board having considered the pleadings, the testimony adduced and the exhibits received in said hearing and being fully advised in the premises makes and enters the following:

FINDINGS AND CONCLUSIONS

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 matters covered by the Petition and has jurisdiction to make and promulgate the order hereinafter set forth.
3. By Order in Cause No. 131-14, dated and effective August 11, 1971, the Board, in addition to other matters ordered therein, established Section 23, Township 1 North, Range 1 West, Uintah County, Utah as a 640 acre drilling unit for the production of oil, gas and associated hydrocarbons from the spaced interval delineated in paragraph 4(b) thereof.
4. Section 40-6-6(1), Utah Code Annotated, 1953, as amended, provides the Board with the authority to modify Cause Order 131-14. The modification of Cause Order 131-14 is just and reasonable and is necessary in order to protect correlative rights insofar as Cause Order 131-14 affects Section 23, Township 1 North, Range 1 West, Uintah County, Utah.
5. Bow Valley holds the oil and gas lease on the W1/2 and the W1/2 SE1/4 of the subject Section 23. That lease expires December 7, 1984. Western Alliance holds Ute Tribal leases covering the remainder of Section 23. Bow Valley and Western Alliance have been unable to reach an agreement for the drilling of a well on the drilling and spacing unit consisting of Section 23.
6. Unless Bow Valley is allowed to drill prior to the expiration date of its lease, Bow Valley will be deprived of its correlative rights in Section 23.

7. The Board has authority under Section 40-6-6, Utah Code Annotated (1953 as amended) to decrease the size of drilling units where necessary for the protection of correlation rights.
8. By creating two drilling and spacing units in Section 23 consisting of the W1/2 and E1/2 of that Section the Board protects the correlative rights of both Bow Valley and Western Alliance and also of their respective lessors. In addition, said units would be of uniform size and shape. The Ute Indian Tribe, appearing specially in this matter, indicated that such a result would be acceptable to the Ute Indian Tribe.

ORDER

It is therefore ordered by the Board that:

1. The Order in Cause No. 131-14 is modified such that Section 23, Township 1 North, Range 1 West, Uintah County, Utah is respaced into the following two drilling and spacing units.
 - a. W/2 of Section 23, Township 1 North, Range 1 West, consisting of 320 acres, more or less.
 - b. E/2 of Section 23, Township 1 North, Range 1 West, consisting of 320 acres, more or less.
2. The drilling units delineated by this order are established for the production of oil, gas and associated hydrocarbons from the spaced interval defined as:

That interval below the stratigraphic equivalent of 9,600 feet depth in the "E" Log of the Carter #2 Bluebell Well located in the SW1/4NW1/4, Section 3, Township 1 South, Range 2 West, USM (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 15, 1968, in the Chevron #1 Blanchard well located in the NW1/4SE1/4 of said Section 3), to the base of Green River-Wasatch formations.

3. The permitted well location for the W/2 of Section 23 shall be the existing location for the proposed D. Moon 1-2321 well as permitted by the State of Utah.

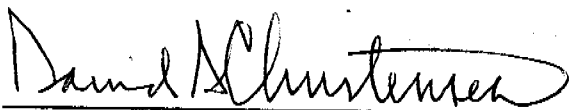
4. The permitted well location for the E/2 of Section 23 shall be no closer than 1320 feet from the exterior boundary of the drilling and spacing unit; however, there shall be provided administratively without a hearing, a tolerance of 660 feet where a topographical or geological exception is deemed necessary.
5. The Board retains continuing jurisdiction over all matters covered by this order, over all other applicable orders and over all parties affected thereby. The Board also retains continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable rule or regulation.

Entered and effective this 27th day of September, 1984.

State of Utah
Board of Oil, Gas & Mining

By: 
Gregory P. Williams, Chairman

APPROVED AS TO FORM:


David S. Christensen,
Assistant Attorney General