

CAUSE NO. 131-86/DOCKET NO. 90-006

IN THE MATTER OF THE PETITION OF
FLYING J INC. FOR AN ORDER
SUPPLEMENTING THE ORDER IN CAUSE
NO. 131-58 AS IT PERTAINS TO
DRILLING UNIT NO. 3, COMPRISING
THE S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$ OF SECTION 19
AND THE W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$ OF SECTION 30,
T.1S., R.1E., USM, IN THE
ALTAMONT-BLUEBELL FIELD, UINTAH
COUNTY, UTAH

ORDERS INDEX

<u>ORDER #</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	3/22/90	Order

June 20, 1991

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

IN THE MATTER OF THE PETITION) OF FLYING J INC. FOR AN ORDER) SUPPLEMENTING THE ORDER IN) IN CAUSE NO. 131-58 AS IT) PERTAINS TO DRILLING UNIT NO.) 3, COMPRISING THE S $\frac{1}{2}$ SW $\frac{1}{4}$, SW $\frac{1}{4}$ SE $\frac{1}{4}$) OF SECTION 19 AND THE W $\frac{1}{2}$, W $\frac{1}{2}$ E $\frac{1}{2}$) OF SECTION 30, T.1S., R.1E.,) USM, IN THE ALTAMONT-BLUEBELL) FIELD, UINTAH COUNTY, UTAH))	ORDER Docket No. 90-006 Cause No. 131-86
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This Cause came on for hearing before the Board of Oil, Gas and Mining at 10:00 a.m. on Thursday, March 22, 1990, in the Conference Room of the Division of Oil, Gas and Mining located at 355 West North Temple, 3 Triad Center, Salt Lake City, Utah. The following members of the Board were present:

- Gregory P. Williams, Chairman
- James W. Carter
- John M. Garr
- Richard B. Larsen
- Judy F. Lever
- E. Steele McIntrye
- Kent G. Stringham

Mr. Larsen recused himself as the hearing progressed, due to a royalty interest which he held in an adjoining drilling unit.

Present representing the Division were:

R.J. Firth, Associate Director - Oil & Gas

John Baza, Petroleum Engineer

Barbara Roberts, Assistant Attorney General

In attendance and participating were the following representatives of the U.S. Bureau of Land Management: Assad Raffoul, Petroleum Engineer of the Utah State Office, and Jerry Kenczka, Petroleum Engineer, Vernal District Office.

Petitioner was represented by witnesses Carl Kendell, Chief Geologist; LaVonne Garrison-Stringer, Land Manager; and James Wilson, Production Manager. Also present but not testifying was John M. Scales, Vice President of Flying J Inc. The attorney for Petitioner was Robert G. Pruitt, Jr., of Pruitt, Gushee & Fletcher.

Appearing on behalf of Quinex Energy Corp. was Dr. DeForest Smouse, Vice President and Chief Geologist, who supported the Petition. There were no appearances or correspondence received in opposition to the Petition.

Having considered the Petition, the testimony and evidence presented at the Hearing, and being fully advised in the premises, the Board hereby makes and enters the following:

FINDINGS OF FACT AND CONCLUSIONS OF LAW

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. Approximately 600 interested parties were notified by certified mail.

2. The Board has jurisdiction over the matters covered by the Petition and all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. In the eastern portion of the Bluebell Field, in the vicinity of the federal Roosevelt Unit, the lower Green River-Wasatch spaced interval defined in the Board's Order in Cause No. 131-14, issued in 1971 (referred to generally as "the spaced interval") is comprised of two distinct producing reservoirs, the upper one known as the "lower Green River formation" and the lower one as the "Wasatch formation". Within the federal Roosevelt Unit these reservoirs are generally separately owned and are operated by separate companies.

4. Drilling Unit No. 3, established by the Board's Order in Cause No. 131-34, dated July 22, 1980, consists of the $W\frac{1}{2}$ and $W\frac{1}{2}E\frac{1}{2}$ of Section 30 and the $S\frac{1}{2}SW\frac{1}{4}$ and $SW\frac{1}{4}SE\frac{1}{4}$ of Section 19, Township 1 South, Range 1 East, comprising 600 acres. Drilling Unit No. 3 contains two wellbores which, because of depth and production restrictions imposed by the Board's Order in Cause No. 131-58 dated March 23, 1984, are deemed to constitute "one well" producing from different portions of the spaced interval. The two wellbores are the Landy 1-30A1E, limited to producing from the Wasatch formation

in the SE $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 30, and the Long 2-19A1E, limited to producing from the lower Green River formation in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 19.

5. Numerous wells have been drilled within and around the federal Roosevelt Unit, some producing from the lower Green River formation (called "Green River wells") and some producing from the Wasatch formation (called "Wasatch wells"). Well spacing within portions of the federal Roosevelt Unit is on approximately an 80-acre basis for wells producing from the lower Green River formation, and on a 640-acre basis for wells producing from the Wasatch formation, while well spacing outside of the Roosevelt Unit is two wells per approximately 640-acres or designated drilling units of at least 400 acres in size.

6. It is not economically or practically feasible to deepen the existing Long 2-19A1E wellbore to produce from the Wasatch formation, due to severe restriction imposed by the presently installed equipment and other considerations.

7. An additional well in the southern portion of Drilling Unit No. 3, proposed by Petitioner, is expected to be able to produce from an untapped portion of the Wasatch formation which is not being produced by nearby Wasatch wells.

8. Petitioner's proposed location of the Landy 2-30A1E well, in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, qualifies as a legal and permitted

location for a "second well" authorized by the Board's Order in Cause No. 139-42 dated April 17, 1985.

ORDER

It is hereby ordered by the Board that:

1. The Board's Order in Cause No. 131-58, dated March 23, 1984, is hereby supplemented to expressly declare that the Landy 1-30A1E wellbore (limited by said Order to producing from the Wasatch formation in Drilling Unit No. 3) and the Long 2-19A1E wellbore (limited by said Order to producing from the Green River formation in Drilling Unit No. 3) are "one well" in Drilling Unit No. 3 for purposes of the Board's Order in Cause No. 131-34, dated July 22, 1980.

2. Petitioner is hereby authorized to drill and produce a second well at a permitted location within said Drilling Unit No. 3 in accordance with the provisions of the Board's Order in Cause No. 139-42, dated April 17, 1985. The proposed Landy 2-30A1E well, to be located in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 30, will qualify as the permitted second well.

3. The Long 2-19A1E wellbore shall remain limited to production only from the Green River formation and, so long as the Long 2 well remains in production, the Landy 1-30A1E wellbore shall be limited to producing from the Wasatch formation in Drilling Unit No. 3. The operator of Drilling Unit No. 3 may, pursuant to the

rules and regulations of the Board and upon administrative approval without a Board hearing, shut-in or abandon the Long 2-19A1E wellbore and produce the Landy 1-30A1E wellbore in the lower Green River productive interval, so long as only two wells are allowed to produce from the lower Green River productive interval at any one time.

4. The Board retains continuing exclusive jurisdiction over all matters covered by this Order and over all parties affected thereby. In addition, the Board retains continuing exclusive jurisdiction to make further Orders as appropriate and authorized by statute and applicable rules or regulations.

Entered and effective this 22 day of March, 1990.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: 
Gregory P. Williams, Chairman