

CAUSE NO. 131-101S/ DOCKET NO. 91-023

IN THE MATTER OF THE PETITION FOR
PENNZOIL EXPLORATION & PRODUCTION
COMPANY FOR ADDITIONAL 640-ACRE DRILL-
ING AND SPACING UNITS FOR THE UPPER
GREEN RIVER FORMATION IN CERTAIN LANDS
IN THE BLUEBELL ALTAMONT FILED, DUCHESNE
COUNTY, UTAH.

ORDERS INDEX

<u>ORDER</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	7/9/91	ORDER Granting Extension of Time
#2	8/1/91	Findings of Fact and ORDER

September 19, 1991

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

IN THE MATTER OF THE APPLICATION)	
OF PENNZOIL EXPLORATION & PRO-)	FINDINGS OF FACT
DUCTION COMPANY FOR ADDITION-)	AND ORDER
AL 640-ACRE DRILLING AND SPACING)	
UNITS FOR THE UPPER GREEN RIVER)	DOCKET NO. 91-023
FORMATION IN CERTAIN LANDS IN)	
THE BLUEBELL-ALTAMONT FIELD,)	CAUSE NO. 131-101-s
DUCHESNE COUNTY, UTAH)	
)	

This Cause came on for hearing on August 1, 1991, before the Utah Board of Oil, Gas and Mining ("Board") at the request of the Petitioner, Pennzoil Exploration & Production Company. Sitting for the Board were James W. Carter, presiding, Judy F. Lever, Kent G. Stringham, E. Steele McIntyre, John M. Garr and Raymond Murray, together with Thomas A. Mitchell, Utah Assistant Attorney General assigned to the Board. Jay L. Christensen, citing a relationship to the Petitioner, recused himself. Mr. Garr, citing a relationship to Coastal Oil and Gas Corporation, offered to recuse himself, but Petitioner asked that he remain.

Also participating were Dr. Dianne R. Nielson, Director of the Utah Division of Oil, Gas and Mining; Ronald J. Firth, Associate Director for Oil and Gas; Frank R. Matthews, Petroleum Engineer; and Brad G. Hill, Petroleum Geologist. Attending on

behalf of the Bureau of Land Management ("BLM") were Robert Henricks and Assad Rafoul, Petroleum Engineers with the Utah State Office; and Jerry Kenzka, Petroleum Engineer in the Vernal District Office.

Testifying on behalf of Petitioner were Ralph A. Williams, Supervising Engineer; Robert Burton, Landman; and Gregory A. Stevens, Geologist. Robert G. Pruitt, Jr. of Pruitt, Gushee & Bachtell appeared as attorney on behalf of Pennzoil. Phillip Wm. Lear appeared as attorney on behalf of Coastal Oil and Gas Corporation and Flying J Oil & Gas Inc., Respondents to the Pennzoil Petition.

Prior to the August 1 hearing a Counter-Petition and Protest to the Pennzoil Petition had been filed on behalf of Coastal Oil and Gas Corporation and Flying J Oil & Gas Inc. by their attorney, Phillip Wm. Lear. On July 12, Mr. Lear withdrew the Protest and Counter-Petition, and entered a Response in Support of Pennzoil's Petition, upon condition that Pennzoil amend its Petition to change all references to a "3960 feet" radius between wells to "2640 feet". No other appearances or communications in opposition to the Petition were noted by the Board.

Accordingly, at the beginning of the hearing on August 1 Mr. Pruitt amended the Petition by substituting in Section 3 of Pennzoil's Petition the term "2640 feet" to replace "3960 feet". Noting that the Board's 1990 Order in Cause No. 131-81 (pertaining to only 8 of the 35 sections) had not been noticed for this hearing, Mr. Pruitt also proposed that the Board issue an Order to Show Cause at its next hearing why the Board's Order in

Cause No. 131-81 (Docket No. 90-042) dated September 27, 1990 should not be revised to substitute "2640 feet" for "3960 feet" recited in said Order, to achieve uniformity for both Upper Green River formation spacing orders. The Division concurred in this recommendation.

Based upon the testimony and evidence presented by the Petitioner at the hearing, the Board makes and enters the following Findings of Fact:

FINDINGS OF FACT

1. Due and proper notice was given to all interested parties, and the Board has jurisdiction to hear this matter and to make the findings and order set forth herein.

2. In 1968, this Board in Cause No. 131-2 established 80-acre drilling and spacing units for the Green River formation underlying 35 sections in the Bluebell-Altamont Field. In 1969 and 1970 the Board modified its Order in Cause No. 131-2 to create 320-acre and later 640-acre drilling and spacing units for the "Lower Green River/Wasatch formation", but said Orders did not modify the existing 80-acre units for the "Upper" Green River formation. On March 27, 1989, this Board in Cause No. 131-81 modified its Order in Cause No. 131-2 by establishing 640-acre drilling and spacing units for the Upper Green River formation, but only for eight of the original 35 sections covered by the 1968 Order.

3. Subsequent drilling and production in the Upper Green River formation justifies amendment of the 1968 Order in Cause 131-2 to create 640 acre drilling and

spacing units for the Upper Green River formation for the remaining 27 sections currently still spaced on 80 acres.

4. The Upper Green River formation is described as follows:

From the top of the Green River formation, as encountered at a depth of 6,540 feet in the Boren 3-11-A2 well in the SW¼SW¼ of Section 11, Township 1 South, Range 2 West, U.S.M., down to the TGR₃ marker bed, as encountered at a depth of 9,748 feet in the Boren 3-11-A2 well.

5. Geologic and production data supports the establishment of 640-acre drilling and spacing units for the production of gas, oil and related hydrocarbons from the Upper Green River formation underlying the following described lands:

Township 1 North, Range 1 West, USM

Section 31: All

Township 1 North, Range 2 West, USM

Sections 31 through 36: All

Township 1 South, Range 1 West, USM

Sections 6 and 7, 18 and 19: All

Township 1 South, Range 2 West, USM

Sections 5 through 8, and 13 through 24: All

(a total of 27 sections)

6. Each designated drilling and spacing unit should comprise the full surveyed government section containing 640 acres, more or less, and the permitted well for each drilling and spacing unit should be no closer than 660 feet from any quarter section boundary and not less than 2640 feet from an existing well completed in the Upper Green River formation with a variance of up to 150 feet for topographical purposes, or as otherwise might be justified for topographic or geologic reasons.

ORDER

Now, therefore, the Board enters the following Order:

1. Drilling and spacing units containing 640 acres are established for the production of gas, oil and related hydrocarbons from the Upper Green River formation from the following described lands:

Township 1 North, Range 1 West, USM

Section 31: All

Township 1 North, Range 2 West, USM

Sections 31 through 36: All

Township 1 South, Range 1 West, USM

Sections 6 and 7, 18 and 19: All

Township 1 South, Range 2 West, USM

Sections 5 through 8, and 13 through 24: All

(a total of 27 sections)

The Upper Green River formation referred to by this Order is described as follows:

From the top of the Green River formation, as encountered at a depth of 6,540 feet in the Boren 3-11-A2 well in the SW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 11, Township 1 South, Range 2 West, U.S.M., down to the TGR₃ marker bed, as encountered at a depth of 9,748 feet in the Boren 3-11-A2 well.

2. Each designated drilling and spacing unit shall comprise the full surveyed government section containing 640 acres, more or less, and the permitted well for each drilling and spacing unit designated pursuant to this Order shall be no closer than 660 feet from any quarter section boundary and not less than 2640 feet from an existing well completed in the Upper Green River formation, with a variance of up to 150 feet for topographic purposes without any hearing or administrative action, or otherwise as may be permitted by administrative action for topographic or geologic reasons.

3. This Board retains continuing jurisdiction over the matters covered by this Order, and over all parties affected thereby.

Entered this 1st day of August, 1991.

BOARD OF OIL, GAS AND MINING

By: 

James W. Carter, Presiding

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing FINDINGS OF FACT AND ORDER for Docket No. 91-023, Cause No. 131-101-S to be mailed by certified mail, postage prepaid, the 28th day of August, 1991 to:

✓ Pennzoil Exploration & Production Company
Attn: George P. SanFilippo
Production Manager
Pennzoil Place
P O Box 2967
Houston, Texas 77252-2967

✓ Robert G. Pruitt, Jr., Esq.
Pruitt Gushee & Bachtell
Attorney for Pennzoil
1850 Beneficial Life Tower
Salt Lake City, Utah 84111

✓ Phillip Wm. Lear, Esq.
Van Cott Bagley Cornwall & McCarthy
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Salt Lake City, Utah 84144

Mailed by First Class Mail to:

Altamont Bluebell Partnership
The Ridgewood Commons
947 Linwood Avenue
Ridgewood, New Jersey 07450

Altex Oil
Attention: Joint Int Acct
Ste 201, 1430 Larimer St
Denver, Colorado 80202

Amerada Hess Corporation
P O Box 2040
Tulsa, Oklahoma 74102

American National Petroleum
Attn: Don Wise
P O Box 27725
Houston, Texas 77227-7725

ANR Production Co
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Badger Oil Corp
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Coastal 1983 Drilling Joint
Venture
Coastal 1985 Drilling Joint
Venture
Coastal 1985-B Drilling Joint
Venture
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Karbuhn Oil
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Kim A. Kubota

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

IN THE MATTER OF THE PETITION PENNZOIL EXPLORATION & PRODUC- TION COMPANY FOR ADDITIONAL 640-ACRE DRILLING AND SPACING UNITS FOR THE UPPER GREEN RIVER FORMATION IN CERTAIN LANDS IN THE BLUEBELL-ALTAMONT FIELD, DUCHESNE COUNTY, UTAH)))))))))))	ORDER GRANTING EXTENSION OF TIME Docket No. 91-023 Cause No. 131-101-S
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The Board having considered the Motion of Pennzoil Exploration and Production Company for a one week extension of time to file exhibits, and being fully advised in the premises, rules as follows:

It is hereby ordered that Pennzoil Exploration and Production Company shall have until the end of business on Wednesday, July 17, 1991 to timely file its exhibits in the above captioned matter.

Dated this 9th day of July, 1991.

BOARD OF OIL, GAS AND MINING

By: 

 James W. Carter, Chairman