

BEFORE THE DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL AND GAS CONSERVATION
OF THE STATE OF UTAH

IN THE MATTER OF: THE APPLICATION)	
OF BURTON W. HANCOCK, AN INDIVIDUAL.)	<u>O R D E R</u>
FOR AN EXCEPTION OF THAT ORDER)	
ESTABLISHING DRILLING UNITS IN THE)	Cause No. 133-2
BAR X ANTICLINE AREA, GRAND COUNTY,)	
UTAH.)	
)	

Pursuant to the Application of Burton W. Hancock, an individual, Cause No. 133-2 came on for hearing before the Board of Oil and Gas Conservation, Department of Natural Resources of the State of Utah, at 10:00 o'clock A.M., on May 20, 1975, in the Executive Conference Room of the First Western National Bank, Moab, Utah. The following Board Members were present:

Guy N. Cardon, Chairman, Presiding
Hyrum L. Lee, Board Member
Charles P. Henderson, Board Member
Robert Norman, Board Member

Appearing for the Applicant:

Steven H. Gunn. Salt Lake City, Utah

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. That due and regular notice of the time, place and purpose of the Hearing on Cause No. 133-2 was given to all interested parties in the form and manner and within the period required by the laws of the State of Utah and the rules and regulations of this Board.
2. That this Board has jurisdiction over the matters covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the orders hereinafter set forth.
3. That the Applicant is one of the lessees of record and is the operator designated by certain Operating Agreements,

duly filed in and approved by the Manager, Land Office, Bureau of Land Management, Salt Lake City, Utah, involving subsisting oil and gas leases covering certain lands embracing portions of the lands within the following described subject area situated in Grand County, State of Utah, to wit:

Township 17 South, Range 25 East, S.L.M.

Section 2: Lots 1, 2, 3 and 4, S1/2N1/2,
N1/2S1/2

Section 3: Lots 3 and 4, S1/2, S1/2Nw1/4

4. That the above described lands include a portion of those lands which were the subject of the Order of this Division in Cause No. 4 in the matter of the Application of the American Metal Company, Ltd., a corporation, and the Frontier Refining Company, a corporation, for an Order Establishing Drilling Units for the Bar X Anticline Area, Grand County, Utah, as amended December 13, 1957, in Cause No. 10, as further amended February 14, 1958, by the Order of this Division in the Cause No. 12, and is further amended by the Order of this Division, dated September 18, 1958, in Cause No. 13.

5. That geological data obtained in the course of drilling wells, from geological surveys, and from surface geological mapping in the area indicate the location of structure and the presence of faults which have altered the relative position of natural gas producing reservoir rock strata, and have affected the produceable characteristics of zones within these strata normally expected to produce natural gas.

6. That Field Rule 7-4(b) ordered in said Cause No. 4 limits the location of a well to a position not less than 1,320 feet from the boundary of those drilling units established by the Oil and Gas Conservation Commission of the State of Utah under Cause No. 4.

7. That because of the above described fault, the lands upon which wells may be drilled as required by Field Rule 7-4 would be unsuitable as a drill site for the well which Mr. Hancock proposes to drill.

8. That the well location previously applied for, i.e., Hancock Government No. 7, located approximately 360 feet westerly of the limit required under Field Rule 7-4(b) is a minimal distance from the above described fault to insure the best chances of successful operations.

9. That a placement of the proposed well in a more northerly portion of the unit would substantially decrease the chances of a successful drilling operation.

10. That the correlative rights of interest holders in leases of adjacent lands will not be injured by the granting of the petition.

NOW THEREFORE, IT IS ORDERED THAT:

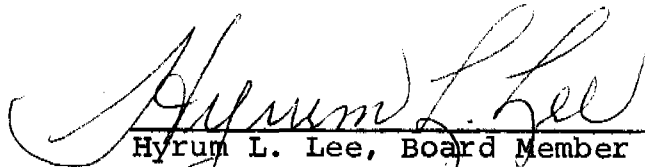
The Division of Oil and Gas Conservation grants the petition of Burton W. Hancock for an exception to Field Rule 7-4-(b) in that the well location previously applied for, which is described as Hancock Government No. 7, is hereby granted.

ENTERED AND EFFECTIVE this 20 day of May, 1975.


BOARD OF OIL AND GAS CONSERVATION
OF THE STATE OF UTAH



Guy N. Cardon, Chairman



Hyrum L. Lee, Board Member



Charles R. Henderson, Board Member

Robert Norman, Board Member

BEFORE THE OIL AND GAS CONSERVATION COMMISSION

OF THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION	:	
OF THE AMERICAN METAL COMPANY,	:	
LIMITED, <u>a corporation</u> , and THE	:	RECOMMENDED FINDINGS OF FACT
FRONTIER REFINING COMPANY, <u>a</u>	:	
<u>corporation</u> , FOR AN ORDER ESTAB-	:	and
LISHING DRILLING UNITS FOR THE	:	
BAR X ANTICLINE AREA, GRAND	:	CONCLUSIONS OF LAW
COUNTY, UTAH	:	Cause No. 4

REPORT OF THE REFEREE

This cause came on for hearing before Commissioner Herbert F. Smart, sitting as a Referee, on Tuesday, November 20, 1956, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah, as a result of a Petition filed on behalf of The American Metal Company, Ltd., a New York corporation, and The Frontier Refining Company, a Wyoming corporation, both duly authorized to do business in the State of Utah.

FINDINGS

The Referee finds as follows:

1. That due notice of the time, place and purpose of the hearing has been given in all respects as required by law.
2. That the Commission has jurisdiction over the subject matter embraced in said notice and of the parties interested therein, and jurisdiction to promulgate the hereinafter prescribed order.
3. That gas is being produced in the Bar X Anticline Area from the Dakota-Upper Morrison, the Salt Wash, and the Entrada Formations.
4. That all available geological and engineering data indicate the presence of several zones each containing a single pool underlying the Bar X Anticline Area and that each pool constitutes an underground reservoir containing a common accumulation of gas underlying the following described lands in Grand County, Utah; to-wit:

Township 17 South, Range 25 East, S.L.M.
 Section 1: Lots 1, 2, 3, and 4;
 S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
 Section 2: All

Section 3: All
Section 4: Lot 1, Se $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$;
Section 9: E $\frac{1}{2}$;
Section 10: All
Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$;
Section 14: All
Section 15: All
Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$;
Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$;

Township 17 South, Range 26 East, S.L.M.

Section 4: Lots 1, 2, 3, and 4;
Section 5: All
Section 6: Lots 1, 2, 3, and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
Section 9: Lots 1 and 2;
Section 8: N $\frac{1}{2}$;
Section 17: S $\frac{1}{2}$ S $\frac{1}{2}$;
Section 18: S $\frac{1}{2}$ S $\frac{1}{2}$;
Section 19: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
Section 20: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$;
Section 21: Lots 1, 2 and 3;

5. That one well will adequately drain all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 surface acres is the maximum area that may be drained efficiently and economically by one well.

6. That the great majority of operators in the Bar X Anticline Area are of the opinion that one well will adequately drain, in accordance with good conservation practice, all recoverable gas from each zone underlying approximately 640 surface acres in the subject area and that approximately 640 acres is the maximum area that may be drained efficiently and economically by one well.

7. That, because of the Bar X Unit and the odd acreage lots on the north and east of said area, it is impracticable as well as impossible to establish drilling units of 640 acres or thereabouts which will satisfy the statutory requirement of uniform size and shape.

8. That drilling units between 480 and 550 surface acres can be established which will fulfill the statutory requirements.

C O N C L U S I O N

1. That in order to avoid the drilling of unnecessary wells; to protect the correlative rights of all parties concerned; to insure the proper and efficient development; and to promote conservation of the gas resources of the State, an order should be made establishing drilling units for the production of gas from each of the heretofore mentioned common sources of supply underlying said land as defined herein.

2. That drilling units of not less than 480 or more than 550 surface acres be established.

3. That the area be divided into zones to facilitate the establishment of drilling units.

/s/ Herbert F. Smart
HERBERT F. SMART, Commissioner and
Referee

Dated:

December 5, 1956.

BEFORE THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH

.....
:
IN THE MATTER OF THE APPLICATION :
OF THE AMERICAN METAL COMPANY, :
LIMITED, a corporation, and THE : O R D E R
FRONTIER REFINING COMPANY, a :
corporation, FOR AN ORDER ESTAB- : Cause No. 4
LISHING DRILLING UNITS FOR THE :
BAR X ANTICLINE AREA, GRAND :
COUNTY, UTAH :
.....

The Commission having considered the report of the Referee,
Commissioner Herbert F. Smart, in the above matter, and having examined
the record in this proceeding,

IT IS HEREBY ORDERED that the Recommended Findings of Fact and
Conclusions of Law of the Referee on file herein be and they are hereby
adopted as the Findings and Conclusions of the Oil and Gas Conservation
Commission.

IT IS FURTHER ORDERED that the following rules and regulations shall
apply to wells heretofore and hereafter drilled and completed or recom-
pleted in the Bar X Anticline Area, as herein defined, in addition to
other applicable rules, regulations and orders of the Commission, if any,
heretofore adopted and not in conflict herewith.

Field Rule 3-4. The Bar X Anticline Area, as herein defined, is hereby
devided into 5 zones, which contain the acreage indicated therein, to-wit:

Zone 1

- Section 4: Lots 1, 2, 3 and 4, Twp. 17 S., R. 26 E.,
SLBM
- Section 5: All; Twp. 17 S., R. 26 E., SLBM
- Section 6: Lots 1, 2, 3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S.,
R. 26 E., SLBM
- Section 8: N $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM
- Section 9: Lots 1 and 2, Twp. 17 S., R. 26 E., SLBM
- Section 1: Lots 1, 2, 3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S.,
R. 25 E., SLBM

Zone 2

- Section 2: All, Twp. 17 S., R. 25 E., SLBM
- Section 3: All; Twp. 17 S., R. 25 E., SLBM
- Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 25 E.,
SLBM

Zone 3

- Section 9: E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM
- Section 10: All, Twp. 17 S., R. 25 E., SLBM
- Section 14: All, Twp. 17 S., R. 25 E., SLBM
- Section 15: All, Twp. 17 S., R. 25 E., SLBM
- Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

Zone 4

Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, S $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM
Section 24: N $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ NE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM
Section 18: S $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 19: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM

Zone 5

Section 17: S $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM
Section 18: S $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 19: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 20: N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM
Section 21: Lot 1, 2, 3, Twp. 17 S., R. 26 E., SLBM

Field Rule 4-4. Drilling Units shall be and the same are hereby established for each zone, as follows, to-wit:

ZONE 1

Drilling Unit No. 1 shall consist of the following described acreage:

Section 4: Lot 4, Twp. 17 S., R. 26 E., SLBM
Section 5: S $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM
Section 8: N $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM
Section 9: Lots 1 and 2, Twp. 17 S., R. 26 E., SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 4: Lots 1, 2 and 3, Twp. 17 S., R. 26 E., SLBM
Section 5: Lots 1, 2, 3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 6: Lots 1, 2, 3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S., R. 26 E., SLBM

Drilling Unit No. 4 shall consist of the following described acreage:

Section 1: Lots 1, 2, 3 and 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

ZONE 2

Drilling Unit No. 1 shall consist of the following described acreage:

Section 2: Lots 1, 2 and 3, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, E $\frac{1}{2}$ SW $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 2: Lot 4, SW $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM
Section 3: Lots 1 and 2, S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 3: Lots 3 and 4, S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM
Section 4: Lot 1, SE $\frac{1}{4}$ NE $\frac{1}{4}$, E $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM

ZONE 3

Drilling Unit No. 1 shall consist of the following described acreage:

Section 9: E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM
Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 3 shall consist of the following described acreage:

Section 16: E $\frac{1}{2}$ E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM
Section 15: W $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 4 shall consist of the following described acreage:

Section 15: E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM
Section 14: W $\frac{1}{2}$ W $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 5 shall consist of the following described acreage:

Section 14: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$, Twp. 17 S., R. 25 E., SLBM

ZONE 4

Drilling Unit No. 1 shall consist of the following described acreage:

Section 13: S $\frac{1}{2}$ NW $\frac{1}{4}$, SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM
Section 24: N $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ NE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 13: E $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM
Section 24: E $\frac{1}{2}$ NE $\frac{1}{4}$, Twp. 17 S., R. 25 E., SLBM
Section 18: S $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 19: NW $\frac{1}{4}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM

ZONE 5

Drilling Unit No. 1 shall consist of the following described acreage:

Section 17: SW $\frac{1}{4}$ SW $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 18: S $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 19: NE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 20: W $\frac{1}{2}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM

Drilling Unit No. 2 shall consist of the following described acreage:

Section 16: Lot 4, Twp. 17 S., R. 26 E., SLBM
Section 17: SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 26 E., SLBM
Section 20: E $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$, NE $\frac{1}{2}$ SW $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, Twp. 17 S., R. 26 E.,
SLBM
Section 21: Lots 1, 2 and 3, Twp. 17 S., R. 26 E., SLBM

Field Rule 5-4. On each drilling unit, as heretofore described, one well may be completed or recompleted into two or more of the producing zones or horizons as a multiple completion, or as an alternative, one well may be completed or recompleted into any one of the producing zones or horizons as a single completion, provided, no more than one well shall produce from the same horizon in each drilling unit.

Field Rule 6-4. The B. W. Hancock Well No. Federal 1 is designated as the drilling unit well for Drilling Unit 2 of Zone 2 for the zones or horizons from which it is producing, and The American Metal Company Well No. Government (Linney) 1 is designated as the drilling unit well for Drilling Unit 3 of Zone 3 for the zones or horizon from which it is producing.

Field Rule 7-4. No well or wells shall be drilled and completed or recompleted in Zones 1, 2, 3, 4 and 5, and no notice of intention to drill shall be approved by the Commission unless:

(a) Such well or wells be located on one of the heretofore designated drilling units on which no other well is completed or approved for

completion in the same producing zone or horizon.

(b) Such well or wells to be drilled no closer than 1320 feet from the drilling unit boundary.

IT IS FURTHER ORDERED, that the rules and regulations contained herein shall become effective forthwith, and henceforth the commencement of the drilling of any well or wells in the Bar X Anticline Area, as defined herein, for the purpose of producing gas therefrom at a location other than authorized by this Order, is hereby prohibited.

IT IS FURTHER ORDERED, that the Commission expressly reserves its right, after notice and hearing to alter, amend, or repeal any and/or all of the above ruled and regulations.

ORDERED this 5th day of December, 1956.

THE OIL AND GAS CONSERVATION COMMISSION
OF THE STATE OF UTAH

/s/ D. H. Whittenburg
D. H. WHITTENBURG, Chairman

/s/ T. S. Curtis
T. S. CURTIS, Commissioner

/s/ Herbert F. Smart
HERBERT F. SMART, Commissioner