

**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	*	
OF ALTA ENERGY CORPORATION	*	
FOR AN ORDER ESTABLISHING 160	*	FINDINGS OF FACT
ACRE DRILLING/SPACING UNITS	*	CONCLUSIONS OF LAW
FOR THE PRODUCTION OF GAS FROM	*	AND ORDER
THE UINTA FORMATION UNDERLYING	*	
SECTION 21, TOWNSHIP 6 SOUTH,	*	Docket No. 85-066
RANGE 21 EAST, S.L.M., UINTAH	*	Cause No. 145-10
COUNTY, UTAH.	*	
	*	

PURSUANT to the petition of Alta Energy Corporation, this cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Thursday, December 5, 1985 at 10:00 a.m. in the Board Room of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following board members were present:

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

John R. Kunz of Hugh C. Garner & Associates, P.C., 310 South Main, Suite 1400, Salt Lake City, Utah, appeared on behalf of the Petitioner, Alta Energy Corporation. There were no respondents to the Petition, nor did any respondents make an appearance at the hearing.

Appearing on behalf of the Division were Dr. Dianne R. Nielson, Director, Ronald J. Firth, Associate Director, Oil and Gas, and John R. Baza, Petroleum Engineer. Representing the Division was Barbara W. Roberts, Esq., Assistant Attorney General. Representing the Board was Mark C. Moench, Esq., Assistant Attorney General.

The following witnesses were called by Petitioner Alta Energy Corporation: John Osmond, Geologist and John Harja, Attorney at Law.

NOW, THEREFORE, the Board having considered the testimony adduced and the exhibits reviewed in said hearing, and being fully advised in the premises, makes and enters the following:

FINDINGS OF FACT

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.
2. The Board has jurisdiction over the subject matter of the Petition and over all interested parties and has jurisdiction to make and promulgate the Order hereinafter set forth.
3. The Board has previously entered its Order in Cause No. 145-2 to establish 320-acre spacing units for the production of gas from the Uinta Formation underlying the following lands:

Township 6 South, Range 21 East, S.L.M.

Sections 25-27, 34-36

Township 6 South, Range 22 East, S.L.M.

Sections: 28-33

Township 7 South, Range 21 East, S.L.M.

Sections: 1-3, 10-12

Township 7 South, Range 22 East, S.L.M.

Sections 4-6, 8-10.

4. This Board has previously entered its Order in Cause No. 145-3 to extend the provisions of the Order in Cause No. 145-2 to Section 4, Township 7 South, Range 21 East, S.L.M., Uintah County, Utah.

5. This Board has previously entered its Order in Cause No. 145-4 to allow two production wells per 320-acre spacing unit (as established in Cause No. 145-2), for the production of gas from the Uinta Formation underlying Sections 31-33 of Township 6 South, Range 22 East, S.L.M.

6. This Board has previously entered its Order in Cause No. 145-5 to allow two production wells per 320-acre spacing unit (as established in cause No. 145-2), for the production of gas from the Uinta Formation underlying Sections 28-30 of Township 6 South, Range 22 East, S.L.M. This order further established 160-acre drilling units for the production of gas from the Uinta Formation underlying Sections 25-27 and 34-36 of Township 6 South, Range 22 East, S.L.M.

7. This Board has previously entered its Order in Cause No. 145-6 to extend the provisions of the Order in Cause No. 145-2 to Section 32, Township 6 South, Range 21 East, S.L.M.

8. This Board has previously entered its Order in Cause No. 145-8 to allow two production wells per 320-acre unit (as established in Cause Nos. 145-2, 145-3 and 145-6), for the production of gas from the Uinta Formation underlying the following-described lands:

Township 6 South, Range 21 East, S.L.M.

Sections 25-27, 32, 34-36

Township 7 South, Range 21 East , S.L.M.

Sections 1-4, 10-12

Township 7 South, Range 22 East, S.L.M.

Sections 4-6, 8-10.

9. Geologic evidence indicates that the Uinta Formation is a gas producing reservoir which underlies the lands which are the subject of this petition (Section 21, Township 6 South, Range 21 East, S.L.M.)

10. Evidence also indicates that the Uinta Formation underlying the above Section 21 lands is an extension of the same Uinta Formation previously found by this Board in Cause Nos. 145-2, 145-3, 145-4, 145-5, 145-6 and 145-8, to underly the lands discussed in the foregoing paragraphs.

11. Geologic evidence indicates that 160-acre drilling units will most efficiently drain the Uinta Formation underlying the lands in Section 21 of Township 6 South, Range 21 East, S.L.M.

12. Evidence indicates that 160-acre drilling units are not smaller than the maximum area which can be efficiently and economically drained by one well.

13. To protect the correlative rights of the various interest owners, to prevent waste, to maximize recovery of the natural resource, and to prevent the drilling of unnecessary wells, the Board should enter an Order establishing 160-acre units on the captioned Section 21 lands for the production of gas from the Uinta Formation.

14. The permitted well locations for each such 160-acre Uinta Formation spacing unit should be one well per governmental quarter section, the well being no closer than 500 feet from the boundaries of each such quarter section.

15. The Division of Oil, Gas and Mining, or successor agency, should have the right to administratively approve exceptions to the prescribed well locations if topographical, cultural, geological or other considerations so require.

CONCLUSIONS OF LAW

1. The Uinta Formation underlying Section 21, Township 6 South, Range 21 East, S.L.M., is a "common source of supply" as that term is defined in Utah Code Ann. Section 40-6-2(a) (1953 as amended).

2. The establishment of 160-acre units on Section 21, Township 6 South, Range 21 East, S.L.M., will prevent the drilling of unnecessary wells, prevent waste, maximize recovery and protect correlative rights.

Sufficient evidence now being available upon which to reach a decision, the Board issues the following:

ORDER

IT IS HEREBY ORDERED by this Board as follows:

1. That 160-acre drilling units be, and the same hereby are, established in Section 21, Township 6 South, Range 21 East, S.L.M., for the production of gas from the Uinta Formation.

2. That each such 160-acre unit shall be comprised of and equivalent to the surveyed governmental quarter sections in the captioned Section 21.

3. That no more than one well be drilled on any such 160-acre drilling unit in the above Section 21 for the production of gas from the Uinta Formation.

4. That all wells drilled in each such 160-acre unit be located no closer than 500 feet from the boundaries of each surveyed governmental quarter section, with exceptions to this prescribed well site to be approved administratively pursuant to Rule C-3 of the rules of this Board (or any duly promulgated replacement thereof), if topographical, cultural, geological or other conditions so require.

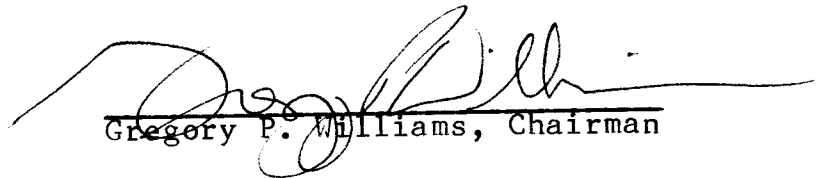
5. That the presently existing well located on the SE1/4 SE1/4 of the captioned Section 21 lands (the Federal 21-1-P well) be, and the same hereby is, designated as the permitted well for this particular drilling unit.

6. That this Board retains exclusive and continuing jurisdiction over all matters covered by this Order and over all

parties affected hereby, and particularly reserves exclusive and continuing jurisdiction to make further orders as appropriate and as authorized by statute and regulation.

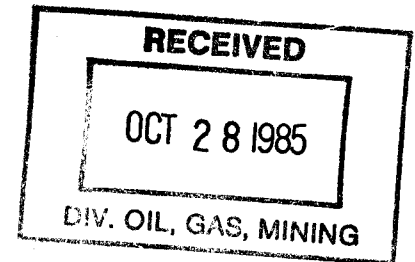
DATED this 3rd day of January, 1986.

STATE OF UTAH
BOARD OF OIL, GAS & MINING


Gregory P. Williams, Chairman

APPROVED AS TO FORM


Mark C. Moench
Assistant Attorney General



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
OF ALTA ENERGY CORPORATION
FOR AN ORDER ESTABLISHING 160
ACRE DRILLING/SPACING UNITS
FOR THE PRODUCTION OF GAS FROM
THE UINTA FORMATION UNDER-
LYING SECTION 21, TOWNSHIP 6
SOUTH, RANGE 21 EAST, S.L.M.,
UINTAH COUNTY, UTAH.

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FINDINGS, CONCLUSIONS
AND ORDER PERTAINING
TO PETITIONER'S MOTION
FOR DEVIATION

Docket No. 85-066
Cause No. 145-10

Petitioner's Motion for Deviation from Procedural Rules was heard before Mr. Gregory P. Williams, Chairman of the Board of Oil, Gas and Mining on October 28, 1985. Mr. Williams, having considered the Motion, being fully advised in the premises, and with good cause appearing therefor, now finds and orders the following:

FINDINGS/CONCLUSIONS

1. As operator/farmouttee under a farmout agreement with Belco Development Corporation (the lessee of record of Federal Oil and Gas Lease U-30289, which lease covers, with the exception of the bed of the Green River), the entirety of Section 21, Township 6 South, Range 21 East, S.L.M., petitioner has exploration rights to the oil, gas and hydrocarbons underlying Section 21, Township 6 South, Range 21 East, S.L.M.

2. Petitioner currently has a completed well (the Federal 21-1-P) located on SE1/4 SE1/4 of captioned Section 21, which well is presently shut-in awaiting the completion of a gas pipeline connection.

3. Petitioner has applied to the Board for an Order establishing 160 acre drilling/spacing units for the production of gas from the Uinta Formation underlying Section 21, Township 6 South, Range 21 East, S.L.M., Uintah County, Utah.

4. Due to the fact that the Board will not have a regularly scheduled meeting in November, a fact which Petitioner was unaware; due to the "special" cut-off date prescribed by the Board, concerning which Petitioner was also unaware; and due to inadvertent mistake and oversight, Petitioner has missed, by three days, the October 22, 1985 cut-off/filing date prescribed by the Board for its scheduled meeting in December, 1985.

5. It is critical to Petitioner's operations on captioned Section 21 and to production from the above well, that the captioned petition be heard before January, 1986.

6. Notice of all other matters to be heard by the Board in its December, 1985 meeting has, as of October 25, 1985, not yet been served on the interested parties.

7. No prejudice will result to anyone by granting Petitioner the requested relief.

ORDER


THEREFORE, IT IS HEREBY ORDERED THAT:

Alta Energy Corporation's Motion for Deviation from the Procedural Rules requesting that Alta's Petition be heard at the

regularly scheduled Board meeting for December, 1985, be, and the same hereby is, granted.

DATED this 28th day of October, 1985.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING



GREGORY P. WILLIAMS
Chairman