

BEFORE THE BOARD OF OIL, GAS, AND MINING
DEPARTMENT OF NATURAL RESOURCES
in and for the STATE OF UTAH

IN THE MATTER OF THE VACATING OF THE ORDER)
ISSUED IN CAUSE NO. 17, DATED FEBRUARY 24,)
1960, INsofar AS IT PERTAINS TO LANDS)
CONTAINED WITHIN THE McELMO CREEK UNIT,)
SAN JUAN COUNTY, UTAH.)

ORDER
CAUSE NO. 152-2

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., on Wednesday, March 24, 1976, in the Executive Conference Room - Holiday Inn, 1659 West North Temple, Salt Lake City, Utah. The following Board Members were present:

- Guy N. Cardon, Chairman
- Charles R. Henderson
- Robert R. Norman
- Hyrum L. Lee

Also present and representing the Board:

- Cleon B. Feight, Director,
Division of Oil, Gas, and Mining
- Patrick L. Driscoll, Chief Petroleum Engineer
Division of Oil, Gas, and Mining
- Ronald W. Daniels, Mined Land Coordinator
Division of Oil, Gas, and Mining
- James W. Carter, Engineering Geologist
Division of Oil, Gas, and Mining

Also Present:

- Edgar W. Guynn, District Engineer
United States Geological Survey

Appearances were made as follows:

- Mr. Tim Robertson, Esq.,
Superior Oil Company
Charles Hill
Superior Oil Company
- Vic Lyon
Continental Oil Company

NOW THEREFORE, the Board, having heard the testimony of the witnesses and having considered the evidence and being advised in the premises, now 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 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 matter covered by said

Application and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. That 80-acre drilling and spacing units were established for the Greater Aneth Area as a result of the Orders issued in Cause No. 9, dated December 9, 1957; Cause No. 17, dated February 24, 1960, and Cause No. 54, dated May 9, 1961.

4. That Section 40-6-11, UCA, 1953, among other things, provides that the conservation statute shall apply to any and all lands committed to a Unit Agreement approved by the Secretary of the Interior, except that the Board may with respect to any unit agreement, suspend the application of the Rules and Regulations.

Under Rule A-3, the Board has suspended the application of most of the General Rules and Regulations insofar as unit agreements are concerned.

5. That the Board, after notice and hearing, may vacate any prior orders applicable to a Unitized area which does not affect vested rights and will allow the operator more flexibility or mobility in the operation of said unit.

6. That Superior Oil Company, operator of the McElmo Creek Unit, have recommended to the Board that the Orders establishing 80-acre drilling and spacing units be vacated as to the McElmo Creek Unit.

7. That the staff is in agreement with the Unit Operator and is of the opinion that Superior Oil Company needs flexibility in the placement of wells, especially with respect to the McElmo Creek Unit, in order to improve the sweep efficiency now taking place as a result of the waterflood project operating therein.

ORDER

1. That the Order issued in Cause No. 17, dated February 24, 1960, is hereby vacated insofar as it applies to the following described lands in the McElmo Creek Unit agreement area, San Juan County, Utah, consisting of the following acreage:

Township 40 South, Range 24 East
Sec. 36: S 1/2

Township 41 South, Range 24 East

Sec. 1: A11
Sec. 2: A11
Sec. 10: E 1/2 NE 1/4
Sec. 11: N 1/2, SE 1/4, N 1/2 SW 1/4
Sec. 12: A11
Sec. 13: A11
Sec. 14: E 1/2 E 1/2

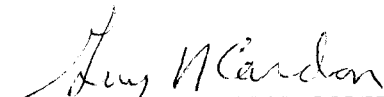
Sec. 24: N 1/2
Township 40 South, Range 25 East
Sec. 21: W 1/2 SE 1/4, E 1/2 SW 1/4
Sec. 27: W 1/2 W 1/2
Sec. 28: A11
Sec. 29: S 1/2
Sec. 31: S 1/2, NE 1/4
Sec. 32: A11
Sec. 33: A11
Sec. 34: W 1/2 W 1/2, W 1/2 NE 1/4

Township 41 South, Range 25 East
Sec. 3: W 1/2
Sec. 4 thru' 8: A11
Sec. 9: W 1/2, NE 1/4, W 1/2 SE 1/4
Sec. 16: NW 1/4, N 1/2 SW 1/4
Sec. 17: A11
Sec. 18: A11
Sec. 19: NW 1/4, W 1/2 NE 1/4, W 1/2 SE 1/4, W 1/2 SW 1/4

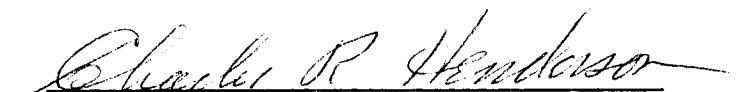
2. That no well may be drilled to the unitized formations (Isma'y & Desert Creek zones of the Paradox Formation of the Hermosa Group) any closer than 500 feet from the above referred to unit boundaries.

IT IS FURTHER ORDERED that the Board retains continuing jurisdiction over the matters herein covered by this Order and all parties affected thereby.

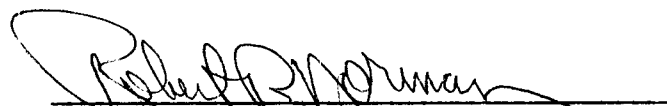
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
BOARD OF OIL, GAS, AND MINING



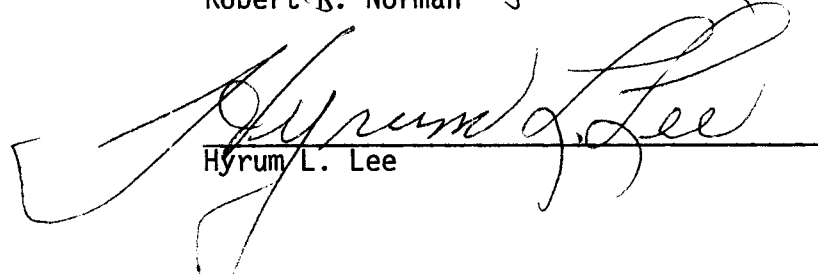
Guy N. Cardon, Chairman



Charles R. Henderson



Robert B. Norman



Hyrum L. Lee