

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

IN THE MATTER OF THE APPLICATION OF)
AMERICAN QUASAR PETROLEUM COMPANY OF)
NEW MEXICO FOR AN ORDER GRANTING AN)
EXCEPTION LOCATION FOR DRILLING OF A) ORDER
WELL IN THE NE/4 OF THE NE/4 OF)
SECTION 34, TOWNSHIP 3 NORTH, RANGE) CAUSE NO. 160-16
7 EAST, SUMMIT COUNTY, UTAH, IN THE)
TWIN CREEK AND NUGGET RESERVOIRS,)
PINEVIEW FIELD)

This cause came to be heard regularly before the Board of Oil, Gas and Mining ("Board"), and was heard, pursuant to due and proper Application and Notice of Hearing, on September 25, 1980, in the Executive Conference Room, Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following members of the Board (constituting a quorum of the Board) were present and in accordance with the law participated in the hearing upon all matters and the decision resulting in this order:

Charles R. Henderson, Chairman

John L. Bell

Edward T. Beck

E. Steele McIntyre

Max A. Farbman

The following members of the Board's staff were also present and participating:

Michael T. Minder, Geological Engineer

Denise A. Dragoo, Special Assistant Attorney General

Appearances of Counsel were made as follows:

Frank Gustin, Salt Lake City, Utah, and

Frank Douglass, Austin, Texas,

Attorneys representing American Quasar Petroleum Company of New Mexico, Applicant herein;

Joe Henry, Denver, Colorado and

R. C. McGinnis, Austin, Texas,

Attorneys representing Champlin Petroleum Company, the only other operator in the subject field and an interested party herein.

NOW, THEREFORE, the Board having fully considered the testimony of all witnesses, statements of others and all exhibits, statements introduced and received in the course of said hearing, and in all respects being fully advised in the premises, makes and enters the following Findings of Fact and Conclusions of Law and renders its permanent and final Order as follows:

FINDINGS OF FACT

1. American Quasar Petroleum Co. (Applicant) owns an oil and gas lease covering all of Section 34 and three-quarters of Section 35, Township 3 North, Range 7 East, Summit County, Utah.

2. The Board of Oil, Gas and Mining entered an Order on July 28, 1976, in Cause No. 160-6 which established 80 acre drilling and spacing units for the Pineview Field.

3. The July 28, 1976 Order requires that the permitted well for Section 34, Township 3 North, Range 7 East, Summit County, Utah, be drilled in the NW/4 of the NE/4 of Section 34.

4. Applicant proposes an exception location for the drilling of its Moore-Boyer 34-41 well in the NE/4 of the NE/4 of Section 34, Township 3 North, Range 7 East, Summit County, Utah. The proposed well will not be perforated closer than 300' of any lease line.

5. There is sufficient evidence to show that the proposed Moore-Boyer 34-41 well will be in a "wildcat" type location more than one mile from the nearest production in the Twin Creek and Nugget Reservoirs Pineview Field. The proposed location is outside the currently known productive limits for the Twin Creek and Nugget Reservoirs Pineview Field, but is within the area spaced by the Board in Cause No. 160-6.

6. Champlin Petroleum Company is the only other operator in the Pineview Field area and has agreed in writing that it has no objection to Applicant's proposal.

7. There is sufficient evidence to show that the proposed exception location for the Moore-Boyer 34-41 well is necessary to prevent waste and to reasonably develop Applicant's lease.

8. There is sufficient evidence to show that the proposed exception location is necessary to protect correlative rights in the Twin Creek and Nugget Reservoirs Pineview Field area.

CONCLUSIONS OF LAW

1. The Board has jurisdiction over all matters covered by the Application of American Quasar Petroleum Company for an order granting an exception location for the drilling of a well in the NE/4 of the NE/4 of Section 34, Township 3 North, Range 7 East, Summit County, Utah, in the Twin Creek and Nugget Reservoirs Pineview Field. The Board also has jurisdiction over all the matters covered by the Notice of Hearing and over the subject lands and mineral leases covered by the Application, and all parties interested in said subject lands as their respective interests appear. Further, the Board also has authority under applicable law to make and enter the order set forth herein:

2. The Application is in the form as provided by the applicable statutes and the rules and regulations governing proceedings before the Board.

3. Due, proper, 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 the applicable statutes and the rules and regulations of the Board.

That, pursuant to the foregoing Findings of Fact and Conclusions of Law, the Board hereby makes and adopts the following:

CONCLUSIONS

In accordance with Section 40-6-6, Utah Code Annotated, 1953, as amended, and as an exception to the July 28, 1976 order entered in Cause No. 160-6, the exception location requested by the Applicant is necessary in the Twin Creek and Nugget Reservoirs Pineview Field to prevent waste and adequately develop Applicant's lease.

2. In accordance with Section 40-6-6, Utah Code Annotated, 1953, as amended, and as an exception to the July 28, 1976 order entered in Cause No. 160-6, the exception location requested by the Applicant is necessary to protect correlative rights in the Twin Creek and Nugget Reservoirs Pineview Field area.

Pursuant to the foregoing Findings of Fact and Conclusions of Law, the Board hereby makes the following

ORDER

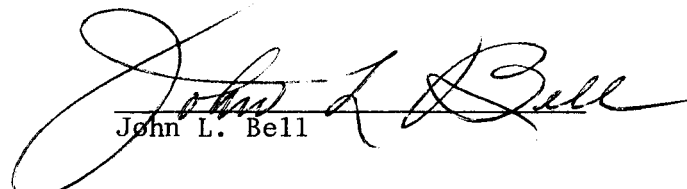
1. IT IS HEREBY ORDERED that the application of American Quasar Petroleum Company for an exception to the spacing order entered in Cause No. 160-6 allowing American Quasar to drill its proposed Moore-Boyer 34-41 well in the Twin Creek and Nugget Reservoirs Pineview Field at a location situated in the NE/4 of the NE/4 of Section 34, Township 3 North, Range 7 East, Summit County, Utah, should be, and hereby is, in all things granted.


2. IT IS FURTHER ORDERED that the Moore-Boyer 34-41 well shall not be perforated within 300' of any lease line.

ENTERED THIS 25th day of September, 1980.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman


John L. Bell


E. Steele McIntyre


Edward T. Beck


Max A. Farbman