

BEFORE THE BOARD OF OIL AND GAS CONSERVATION
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION OF)
AMERICAN QUASAR PETROLEUM CO. OF)
NEW MEXICO FOR AN ORDER EXTENDING)
PRIOR ORDERS OF THE BOARD IN CAUSE)
NO. 160-6, TO COVER ADDITIONAL LANDS)
OUTSIDE OF THE PINEVIEW FIELD,)
SUMMIT COUNTY, UTAH)

FINDINGS OF FACT,
CONCLUSIONS OF LAW
and
ORDER

Cause No. 160-9

This cause came on regularly before the Board of Oil, Gas and Mining ("Board") and was heard pursuant to due and proper Application and Notice of Hearing on the 25th day of October, 1977 in the Executive Room of the Holiday Inn, 1659 West North Temple, Salt Lake City, Utah. The following named board members (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:

I. Daniel Stewart, Esquire, Chairman
Charles R. Henderson, Board Member
John L. Bell, Board Member
C. Ray Juvelin, Board Member

The following members of the board staff were also present and participating:

Cleon B. Feight, Director, Division of Oil, Gas, and Mining
Patrick L. Driscoll, Chief Petroleum Engineer, Division of
Oil, Gas, and Mining

Appearances of counsel were made as follows:

Frank J. Gustin, Salt Lake City, Utah, attorney representing American Quasar Petroleum Co., the applicant herein;

No attorneys appeared on behalf of any interested party in opposition to the application of American Quasar Petroleum Co.

NOW, THEREFORE, the board having fully considered the testimony of all witnesses, statements of others and all exhibits 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, Conclusions of Law and Order:

FINDINGS OF FACT

1. The board entered an Order ("Order") on July 29, 1976 in Cause No. 160-6 which established, among other things, 80-acre drilling and spacing units consisting of the N 1/2 and S 1/2 of each quarter section for the Pineview Field for the production of oil, gas and associated hydrocarbons from the Nugget and Twin Creek Formations in lands located in Townships 2 and 3 North, Range 7 East, SLBM, Summit County, Utah and established the permitted well locations for each drilling and spacing unit as the center of the NW 1/4 and the center of the SE 1/4 of each quarter section as more particularly set forth in said order.

2. That the Nugget Formation underlies the lands above described and constitutes a "pool". That the Nugget Formation, for all purposes herein, is defined as that interval or stratigraphic equivalent of 9,818 feet down to and including 11,070 feet as shown on the Dual Injection- Laterlog of the Newton Sheep Company Well No. 1, located in the NE 1/4 of the SE 1/4 of Section 4, Township 2N, Range 7E, SLBM, Summit County, Utah.

3. That the Twin Creek Formation underlies the above described lands and constitutes a "pool". That the Twin Creek Formation, for all purposes herein, is defined as that

interval or stratigraphic equivalent of 8,049 feet down to and including 9,284 feet as shown on the Compensated Neutron Formation Density Log of the UPRR No. 3-3 Well, dated May 24, 1976, located in the NW 1/4 of the SE 1/4 of Section 3, Township 2N, Range 7E, SLBM, Summit County, Utah.

4. That the Nugget and Twin Creek Formations also underlie the lands hereinafter described and each constitutes a "pool" and, in order to prevent waste of oil, gas and associated hydrocarbons, avoid the drilling of unnecessary wells and to protect correlative rights, the Order in Cause No. 160-6, dated July 29, 1976, should be modified to include the following additional lands:

Township 2 North, Range 7 East, U.S.M.

Section 5: All
Section 8: All

Township 3 North, Range 7 East, U.S.M.

Section 32: All

5. That Applicant, American Quasar Petroleum Co., has successfully re-entered and tested the UPRR No. 5-1 test well, located 1320' FSL and 710' FEL of Section 5, Township 2N, Range 7E, Summit County, Utah, which well is capable of producing oil and gas from the Twin Creek Formation. Said location was originally drilled and abandoned by Occidental Petroleum as the O.P.C. Pineview No. 1 test well. That said location for the 5-1 test well does not conform with the location designated in Cause No. 160-6 and a location exception should be granted designating the 5-1 well spot above referred to as the exception location for the N 1/2 of the SE 1/4 of Section 5 drilling and spacing unit.

6. That the maximum area that can be efficiently and economically drained by one well from the additional lands referred to in paragraph 4 above is not smaller nor greater than 80 acres.

7, That, except as otherwise provided herein, the specifications and declarations in the Order entered in Cause No. 160-6, dated July 29, 1976, as to the establishment of drilling units, permitted well locations, tolerance distances and the prohibition against drilling more than one well on any such drilling unit should continue to apply to the area as previously spaced in Cause No. 160-6 and also in like manner to the additional area included herein as above described.

That, pursuant to the foregoing Findings of Fact, the board hereby makes and adopts the following:

CONCLUSIONS OF LAW

1. That the board has jurisdiction over all matters covered by the Application of American Quasar Petroleum Co. for an Order Extending Prior Orders of the Board in Cause No. 160-6 to cover the following described additional lands outside the Pineview Field, Summit County, Utah, to-wit:

Township 2 North, Range 7 East, U.S.M.

Section 5: All
Section 8: All

Township 3 North, Range 7 East, U.S.M.

Section 32: All

2. That the board has jurisdiction by virtue of the Notice of Hearing 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 has the authority under applicable law to make and enter the Order set forth herein.

3. That due, proper and regular notice of the time, place and the purpose of the hearing was given to all interested parties in the form and manner and within the time perscribed by the applicable statutes and rules and regulations of the board.

4. That the board, on July 29, 1976, entered an Order in Cause No. 160-6 which established 80-acre drilling and spacing units for the Pineview Field incident to the production of oil and associated hydrocarbons from both the Nugget and Twin Creek Formations in lands located in Townships 2 and 3 North, Range 7E, SLBM, Summit County, Utah ("subject lands") which said order further provided, among other things, that said drilling and spacing units for the development of the subject lands should consist of the N 1/2 and S 1/2 of each quarter section and that the permitted well for each such drilling and spacing unit should be located in the center of the NW 1/4 and the center of the SE 1/4 of each quarter section with a tolerance of 200 feet in any direction when surface topography makes it necessary.

5. That the Nugget and Twin Creek Formations underlie the property hereinafter described and each constitutes a "pool". That the Nugget Formation, for all purposes herein, is defined as that interval or stratigraphic equivalent of 9,818 feet down to and including 11,070 feet as shown on the Dual Induction-Laterlog of the Newton Sheep Company Well No. 1, located in the NE 1/4 of the SE 1/4 of Section 4, Township 2N, Range 7E, SLBM, Summit County, Utah. That the

Twin Creek Formation, for all purposes herein, is defined as that interval or stratigraphic equivalent of 8,049 feet down to and including 9,284 feet as shown on the Compensated Neutron Formation Density Log of the UPRR No. 3-3 Well, dated May 24, 1976, located in the NW 1/4 of the SE 1/4 of Section 3, Township 2N, Range 7E, SLBM, Summit County, Utah.

6. That, in order to prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells and to protect correlative rights, the Order in Cause No. 160-6, dated July 29, 1976, should be modified to include the following property:

Township 2 North, Range 7 East, U.S.M.,

Section 5: All
Section 8: All

Township 3 North, Range 7 East, U.S.M.,

Section 32: All

7. That the Applicant, American Quasar Petroleum Co., has successfully re-entered and tested the UPRR No. 5-1 test well, located 1320' FSL and 710' FEL of Section 5, Township 2N, Range 7E, Summit County, Utah, which well is capable of producing oil and gas from the Twin Creek Formation. Said location was originally drilled and abandoned by Occidental Petroleum as the O.P.C. Pineview No. 1 test well. That said location for the 5-1 test well does not conform with the location designated in Cause No. 160-6 and a location exception should be granted to said Order to produce the well, which exception should designate the 5-1 well spot above referred to as the exception location for the drilling and spacing unit for the North 1/2 of the SE 1/4 of Section 5.

8. That the maximum area that can be efficiently and economically drained by one well from the additional lands described in paragraph 6 above is not smaller nor greater than 80 acres.

9. That, except as otherwise provided herein, the specifications and declarations in the Order entered in Cause No. 160-6, dated July 29, 1976, as to the establishment of drilling units, permitted well locations, tolerance distances and prohibition against drilling more than one well on any such drilling unit should continue to apply to the area as previously spaced in Cause No. 160-6 and also in like manner to the additional area included herein.

10. That the board should retain continuing jurisdiction over all matters covered herein and by the Order entered in Cause No. 160-6 and over all parties affected thereby and, particularly, the board should retain and reserve continuing jurisdiction to make further Orders as it may deem appropriate and as it may be authorized by statute and applicable regulations to make.

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

O R D E R

1. That the application of American Quasar Petroleum Co. to extend and modify prior orders issued in Cause 160-6, dated July 29, 1976, to include additional lands and for an exception of location be and the same is hereby granted and the Order issued in Cause 160-6, dated July 29, 1976, be and the same is hereby modified to include the following lands:

Township 2 North, Range 7 East, U.S.M.

Section 5: All
Section 8: All

Township 3 North, Range 7 East, U.S.M.

Section 32: All

2. That the location for the 5-1 test well (UPRR No. 5-1 test well), located 1320' FSL and 710' FEL of Section 5, Township 2 North, Range 7 East, Summit County, Utah, be and the same is hereby designated as an exception location and said well is hereby declared to be the exception location for the N 1/2, SE 1/4 of Section 5 drilling and spacing unit and American Quasar Petroleum Co. is hereby granted the right to produce from said well.

IT IS FURTHER ORDERED:

That, except as otherwise provided herein, the specifications and declarations in the Order entered in Cause No. 160-6, dated July 29, 1976, as to the establishment of drilling units, permitted well locations, tolerance distances and the prohibition against drilling more than one well in such drilling unit should continue to apply to the area as previously spaced in Cause No. 160-6 and also to the area included herein by this Order.

IT IS FURTHER ORDERED:

That the board retains continuing jurisdiction over all matters covered by this Order and the Orders in Cause No. 160-6, dated July 29, 1976, and over all parties affected thereby and, particularly, the board retains and reserves continuing jurisdiction to make further Orders as it may deem appropriate and as it may be authorized by statute and applicable regulations to make.

ENTERED this 25 day of October, 1977.

BOARD OF OIL, GAS AND MINING

J. David Stewart

C. R. Henderson

John L. Rice

