

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

IN THE MATTER OF THE APPLICA-)
TION OF CHAMPLIN PETROLEUM)
COMPANY FOR AN ORDER FINDING)
THAT THE C.P.C. NO.1 ADKINS)
32E-3 WELL LOCATED IN TOWNSHIP)
2 NORTH, RANGE 7 EAST,)
SW/4NE/4, SECTION 3, IS A WELL)
WHICH IS NECESSARY TO EFFECT-)
IVELY AND EFFICIENTLY DRAIN)
THAT PORTION OF THE RESERVOIR)
COVERED BY THE PRORATION UNIT)
WHICH CANNOT BE EFFECTIVELY)
AND) EFFICIENTLY DRAINED BY)
ANY EXISTING WELL WITHIN THE)
PRO RATION UNIT.)

FINAL ORDER

CAUSE NO. 160-21

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 January 22, 1981, in the Wild Life Resources Auditorium, 1596 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
John Bell
Edward T. Beck
C. Ray Juvelin
E. Steele McIntyre
Thadis W. Box

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

Cleon B. Feight, Director
Michael T. Minder, Petroleum Engineer
Paula J. Frank, Administrative Assistant

Appearances of counsel were made as follows:

J.D. Henry, Denver, Colorado
Regional Attorney representing
Applicant, Champlin Petroleum Company

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. Cause No. 160-6 dated July 29, 1976, the Board of Oil, Gas and Mining established drilling and spacing units of 80 acres consisting of the N/2 and S/2 of each quarter section and provided further that the permitted well for each drilling and spacing unit be located in the center of the NW/4 and the center of the SE/4 of each quarter section with a tolerance of 200' in any direction when surface topography required a change in location.

2. By Order No. 160-20 dated September 25, 1980, the Board of Oil, Gas and Mining found that Champlin Petroleum Company's No.1 Adkins 32E-3 Well in the SW/4NE/4 of Section 3, Township 2 North, Range 7 East was drilled as an approved exception to the Board's Order in Cause No. 160-6 dated July 28, 1976, and that the granting of the exception was as a second well on the 80 acre drilling tract consisting of the S/2 of the NE/4 of Section 3, Township 2 North, Range 7 East; Order 160-20 removed certain production restrictions which had previously been imposed on the Well. The Order further found that removal of production restrictions with respect to the Nugget Reservoir would increase ultimate recovery of oil and thus prevent waste.

3. Gas produced from the Champlin Petroleum Company No.1 Adkins 32E-3 Well is produced from the Nugget Reservoir in association with oil also produced from such Well.

4. There is sufficient evidence that the previously existing well, the CPC Bingham Well No.1 located in the SE/4NE/4 of Section 3, Township 2 North, Range 7 East, could not alone

effectively and efficiently drain gas reserves within the proration unit upon which it was located (the S/2NE/4 of Section 3, Township 2 North, Range 7 East).

5. There is sufficient evidence that it was necessary to drill the Champlin Petroleum Company No.1 Adkins 32E-3 Well to effectively and efficiently drain that portion of the Nugget Reservoir on which the Champlin Petroleum Company No.1 Adkins 32E-3 Well was located and that reserves of gas located in such portion of the Reservoir could not be effectively and efficiently drained by the existing Bingham Well No.1.

CONCLUSIONS OF LAW

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

2. 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 prescribed by the applicable statutes and the rules and regulations of the Board.

3. The Board has jurisdiction over all matters covered by the Application. The Board also has jurisdiction over all matters covered by the Notice of Hearing and over the Adkins Well and over all parties interested in this proceeding. Further, the Board has the authority under applicable law to make and enter the Order set forth herein.

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

ORDER

It is hereby ordered that the Application of Champlin Petroleum Company for an Order finding that the C.P.C. No.1 Adkins 32E-3 Well located in Township 2 North, Range 7 East, SW/4NE/4 Section 3, is a well which is necessary to effectively

and efficiently drain a portion of the Reservoir covered by the proration unit which cannot be effectively and efficiently drained by any existing well within the proration unit should be, and hereby is, in all things granted.

ENTERED this 22nd day of January, 1981.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

C. R. Henderson
Name

John L. Bell
Name

W. H. Smith
Name

Edward Beal
Name

E. Stock M. D. Jr.
Name