

CAUSE NO. 173-9 / DOCKET NO. 90-042

IN THE MATTER OF THE PETITION  
OF CONOCO, INC. FOR AN AMENDMENT  
TO THE 320-ACRE SPACING ORDER  
IN CAUSE NOS. 173-1 AND 173-2,  
TO PERMIT A SECOND WELL IN THE  
S1/2 OF SECTION 35, T. 8 S, R. 21 E,  
SLM, IN THE OURAY FIELD OF UNITAH  
COUNTY, UTAH

ORDERS INDEX

<u>ORDER #</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	10/19/90	Findings of Fact and ORDER

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7/18/91



Testifying on behalf of Petitioner Conoco, Inc. were Julie D. Crumpler, Landman; Craig Wolffing, Staff Geologist; and Kenneth Mariani, Senior Reservoir Engineer. Conoco was represented by Robert G. Pruitt, Jr. of Pruitt, Gushee & Bachtell. A letter dated September 21, 1990, from Howard B. Cleavinger, ADM for Minerals in the Vernal District Office of BLM was received in the record. No other parties appeared or participated in the hearing.

#### FINDINGS OF FACT AND CONCLUSIONS OF LAW

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 as required by law and the rules of the Board.

2. The Board has jurisdiction over the matters covered by said Petition, and over all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board has previously established a 320-acre drilling and spacing unit for the production of gas and associated hydrocarbons from the Wasatch-Mesa Verde formation underlying the S $\frac{1}{2}$  of Section 35, Township 8 South, Range 21 East, SLM, Uintah County.

4. The Wasatch-Mesa Verde formation underlying the S $\frac{1}{2}$  of Section 35 consists of lenticular, disconnected sands, and the existing Ute Tribal 35-19 well in the S $\frac{1}{2}$  of Section 35 is not

capable of recovering all of the gas and related hydrocarbons possible from the Wasatch-Mesa Verde formation within the existing 320-acre drilling unit. An optional second well is justified in the SW $\frac{1}{4}$  of Section 35 and an optional second well in this spacing unit will not interfere with production from the existing well, which will continue to be produced.

5. Permitting an optional second well in the 320-acre drilling unit will not affect the existing Communitization Agreement which is based upon a 320-acre drilling unit, and all owners sharing in the original producing well will continue to share on the same basis in the new well drilled in the 320-acre drilling unit.

6. The spaced interval in the existing 320-acre drilling unit should remain unchanged under this amended Order.

7. Possible effects of the additional well upon the existing well in the same spacing unit should be monitored. The Board favors the practice of drilling additional wells if the practice does not adversely impact production from existing wells.

#### **ORDER**

After considering all testimony and evidence presented at the hearing, the comments received from the staff of the Division and the letter received from the BLM, the Board enters the following Order:

1. The Board's Orders in Cause No. 173-1 dated February 22, 1978, and Cause No. 173-2 dated April 25, 1979, are hereby amended to permit an optional second well to be drilled and produced from the spaced interval in the existing 320-acre drilling unit described below:

Township 8 South, Range 21 East, SLM

Section 35: S $\frac{1}{2}$

2. Said optional second well shall be located in the offsetting SW $\frac{1}{4}$  of Section 35, provided that such second well is no closer than 1,320 feet from the nearest well producing in the same spaced interval.

3. The option to drill a second well shall be exercised by the Operator of the existing producing well in the said 320-acre drilling unit, and shall be based upon the Operator's evaluation of economic and reservoir conditions.

4. Petitioner is ordered to monitor the existing well in said unit for possible drainage as a result of drilling and producing the additional well in said unit, and to appear before the Board in July of 1991 to make a report and show cause why an additional optional well should not be allowed for all 320-acre drilling units originally established by Orders in Causes Nos. 173-1 and 173-2.

4. The Board retains continuing jurisdiction over all of the parties and the subject matter of this Cause.

Entered this 27th day of September, 1990.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

By:   
Gregory P. Williams, Chairman

CERTIFICATE OF MAILING

I hereby certify that a true and correct copy of the foregoing FINDINGS OF FACT AND ORDER for Docket No. 90-042, Cause No. 173-9 was mailed by first class mail, postage prepaid, the 25th day of October, 1990 to:

Robert G. Pruitt, Jr.  
Pruitt, Gushee & Fletcher  
1850 Beneficial Life Tower  
Salt Lake City, Utah 84111

Paul Schulz, Engineer  
Conoco, Inc.  
851 Werner Court  
Casper, Wyoming 82601-1311

United States Department  
of the Interior  
Bureau of Indian Affairs  
Uintah & Ouray Indian Agency  
Royalty Management Program  
P.O. Box 5810 TA  
Denver, Colorado 80217

Bureau of Indian Affairs for  
the Ute Indian Tribe  
c/o Mineral Management  
Service  
Royalty Management Program  
P.O. Box 5780  
Denver, Colorado 80217

Mary Alice Arentz  
2440 S. 2300 East  
Salt Lake City, Utah 84109

Chevron, USA Inc.  
P.O. Box 70255  
Chicago, Illinois 60673

Lance C. Denver &  
Chris H. Denver, JT  
P.O. Box 85  
Roosevelt, Utah 84066

Enron Oil & Gas Co.  
P.O. Box 101016  
Houston, Texas 77212

Gilman A Hill &  
Lavon S. Hill  
7128 S. Poplar Lane  
Englewood, Colorado 80112

William M. Lansdale  
P.O. Box 27  
Seal Beach, California 90740

Eugene M. Lovato  
1181 Lowell Court #4  
Grand Junction, Colorado 81506

Steven M. Lovato  
3824 S. Cedarwood  
Tucson, Arizona 85730

Ronald D. Lujan  
1450 S Quitman  
Denver, Colorado 80219

United States Department  
of the Interior  
Mineral Management Service  
P.O. Box 5810  
Denver, Colorado 80217

Walter K. Arbuckle  
1580 Lincoln Street,  
Suite 1100  
Denver, Colorado 80203

G. W. Bayne, Trustee  
P.O. Box 1785  
Grand Junction, Colorado 81502

Lupe L. Deherrera  
290 S. 100 E.  
Vernal, Utah 84078

Elizabeth Duran  
4542 W. 165th Street  
Lawndale, California 90620

Joann Haining  
P.O. Box 73  
Redvale, Colorado 81431

Laurel Hill Trust  
c/o Hartford National Bank  
15 Main Street  
Esset, Connecticut 06426

Alfred Lovato  
1833 Jones Avenue  
Los Angeles, California 90032

Freda C. Lovato  
19431 N. 15th Avenue  
Phoenix, Arizona 85027

Viola Lovato  
1181 Lowell Court #4  
Grand Junction, Colorado 81506

Margaret F. Price  
2961 St. Marys Way  
Salt Lake City, Utah 84108

Michael J. Sullivan  
1814 Crook Avenue  
Cheyenne, Wyoming 82001

Vivian Maez  
P.O. Box 673  
Palmer, Alaska 99645

Jane L. Mariz  
1960 Quincy Avenue  
Grand Junction, Colorado 81501

N. J. Meagher, Jr.,  
Margaret F. Price &  
Alice Arentz, Trustees for  
Katherine G. Hawkes  
P.O. Box 122  
Vernal, Utah 84078

Clair E. Sullivan  
P.O. Box 1044  
Cheyenne, Wyoming 82001

William R. Thurston Trust  
12995 U.S. Highway 50  
Durango, Colorado 81301

N. J. Meagher, Jr.  
P.O. Box 122  
Vernal, Utah 84078

Ute Distribution Corporation  
c/o Bureau of Indian Affairs  
Uintah & Ouray Agency  
Post Office Box 130  
Fort Duchesne, Utah 84026

  
Barbara L. Dumas

DATED this 19th day of  
October, 1990.