

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)
COLORADO ENERGETICS, INC. FOR AN ORDER)
ESTABLISHING 320.00 ACRE DRILLING AND)
SPACING UNITS FOR CERTAIN LANDS SITUATE)
IN EMERY COUNTY, UTAH)

CAUSE NO. 178-1

REPORT OF THE COMMISSION

This cause came on regularly for hearing before the Board at 10:00 A.M., February 27, 1980, to consider the Application of Colorado Energetics, Inc. for an Order from the Board establishing three hundred-twenty (320) acre drilling and spacing units for the production of gas and associated hydrocarbons from the Moenkopi formation in the South Last Chance area of Emery County, Utah.

The following members of the Board were present:

Colorado Energetics, Inc. was represented by: L. Clark Kiser, Consulting Geologist

The Board proceeded to swear the witness appearing on behalf of the Applicant, and thereafter heard the sworn testimony of said witness and considered the documentary evidence offered at the Hearing. As a result of said Hearing, the Board makes the following findings of fact, and order:

FINDINGS OF FACT

1. Colorado Energetics, Inc. is a corporation duly organized and existing under the laws of the State of Colorado, and is duly authorized to do business in the State of Utah.
2. Notice was properly given of this Hearing.
3. Colorado Energetics, Inc. owns working interests and operating rights within the area herein sought to be spaced.

4. Colorado Energetics, Inc. has tested its 21-20 well located 2261' FWL and 144' FEL of Section 20, Township 26 South, Range 7 East, SLM, Emery County, State of Utah, and believes said well to be capable of producing gas and associated hydrocarbons in commercial quantities from the hereinafter designated Moenkopi formation.

5. The Moenkopi formation underlies all or substantially all of the following lands and is a common source of supply from which gas and associated hydrocarbons can be produced, said lands being located in Emery County, Utah.

Township 26 South, Range 7 East, SLM

Section 7: All
Section 8: All
Section 17: All
Section 18: All
Section 19: All
Section 20: All
Section 21: All
Section 28: All
Section 29: All

6. One well producing gas and associated hydrocarbons from the Moenkopi formation underlying the above-described lands will drain all of the recoverable gas and associated hydrocarbons from said formations underlying three hundred-twenty (320) surface acres, and three hundred-twenty (320) surface acres is not smaller than the maximum area which can be efficiently drained by one well.

7. The establishment of three hundred-twenty (320) acre drilling and spacing units for the production of gas and associated hydrocarbons from the Moenkopi formation underlying the above-described lands will protect correlative rights and prevent or assist in preventing waste of oil or gas.

8. No party appearing at the Hearing in this matter contested the Application of Colorado Energetics, Inc.

ORDER

IT IS THEREFORE HEREBY ORDERED that three hundred-twenty (320) acre drilling and spacing units be established for the Moenkopi formation, as defined in Schlumberger's Compensated Neutron Formation Density Log for the 21-20 Well, described in Paragraph 4 above, as that stratigraphic interval from 2,480 feet to 2,755 feet subsurface for the lands described in Paragraph 5 above.

IT IS FURTHER ORDERED that the permitted wells for each drilling unit shall be located in the center of the southeast quarter (C SE $\frac{1}{4}$) of each section and the

center of the northwest quarter (C NW $\frac{1}{4}$), with a tolerance of two hundred feet (200') in any direction from the center location when surface conditions make such tolerance necessary, and further topographic exceptions may be specifically authorized by the Board of Oil, Gas ^{and} Mining after notice of hearing, and for such further topographic exceptions the Board may allow the offset lessee to drill the same distance from their property line as the exception well is located from the line of the property on which it is situated, or a special drilling unit may be established for said well if the Board finds correlative rights are being violated.

FURTHER, IT IS ORDERED that all drilling and spacing units be aligned in an east-west direction so that the drilling and spacing units shall constitute the N $\frac{1}{2}$ and S $\frac{1}{2}$ of the sections. The locations for the following previously drilled wells are granted exceptions from this Order:

1. Energetics, Inc. Well No. 14-8, located in the SW SW Section 8, Township 26 South Range 7 East
2. Energetics, Inc. Well No. 12-17, located in the SE NW Section 17, Township 26 South Range 7 East
3. Energetics, Inc. Well No. 21-20, located in the NE NW Section 20, Township 26 South Range 7 East
4. Byrd-Frost Well No. 1 English, located in the SE SW Section 17, Township 26 South Range 7 East
5. Byrd-Frost Well No. 1-X, located in the NE NE Section 18, Township 26 South Range 7 East

DATED this 27th Day of February, 1980.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman


Edward T. Beck, Member


C. Ray Juvelin, Member


E. Steele McIntyre, Member