

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)
AMOCO PRODUCTION COMPANY FOR AN) ORDER
ORDER ESTABLISHING 320 ACRE GAS)
DRILLING UNITS FOR THE TWIN CREEK) Cause No. 183-1
FORMATION, ANSCHUTZ RANCH FIELD,)
SUMMIT COUNTY, UTAH.)

Pursuant to the application of Amoco Production Company,
this cause came on for hearing before the Board of Oil,
Gas, and Mining, State of Utah, at 9:00 a.m., on Thursday,
July 26, 1979, in the Holiday Inn, Salt Lake City, Utah.

The following Board Members were present:

Charles R. Henderson, Chairman, Presiding

Edward T. Beck

E. Steele McIntyre

John L. Bell

C. Ray Juvelin

Also present:

Cleon B. Feight, Director, Division of Oil, Gas,
and Mining

Mike Mender, Consulting Petroleum Geologist, Division
of Oil, Gas, and Mining

Denise Dragoo, Special Assistant Attorney General,
Division of Oil, Gas, and Mining

Thalin Busby, Administrative Assistant, Division
of Oil, Gas, and Mining

Appearances were made as follows:

For the Applicant:

Gordon D. Ryan, Esq.
Denver, Colorado

R. B. Giles
Denver, Colorado

For Champlin Petroleum Company

Paul Bolheimer
Denver, Colorado

For The Anschutz Corp., Inc.

Wayne Pierce
Denver, Colorado

Applicant introduced testimony and exhibits in support of its application and questions were addressed to applicant's witnesses and statements were submitted by others present.

NOW, THEREFORE, the Board having considered questions and answers, statements presented and the testimony adduced and exhibits received at said hearing and being fully advised in the premises, now makes and enters the following:

FINDINGS AND CONCLUSIONS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the Rules and Regulations of the Board.

2. That the Board has jurisdiction over the matter covered by said application and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. That the application of Amoco Production Company complies in all respects with the Rules and Regulations of the Board.

4. That said application is for an Order establishing 320 acre gas drilling units for the Twin Creek formation in the following described 12 section area:

Township 4 North, Range 7 East
Sections 21 through 23
Sections 26 through 28
Sections 33 through 35

Township 3 North, Range 7 East
Sections 2 through 4

with future wells to be located at least 990' from the boundary of the NW/4 and at least 990' from the boundary of the SE/4 of a governmental section.

5. That Applicant is the owner of working interests, and in some instances of operating rights, in a significant portion of the above described area sought to be spaced. The gas discovery well in which Amoco holds 37.5% working interest, for this Twin Creek pool, The Anschutz Corp. operated 34-1 Anschutz Ranch, SE/4 of Section 34-T4N-R7E was completed October 15, 1978 for an IPF of 10.3 MMCFD and 250 BCPD. A second Twin Creek gas well has been completed on April 29, 1979, the 3-2 Anschutz Ranch, SE/4 of Section 3-T3N-R7E for an IPF of 1.4 MMCFD and 29 BCPD. Both wells are shut-in pending connection to gas sales. A third Twin Creek gas well has been drilled through the Twin Creek, the 3-1 Anschutz Ranch, NW/4 of Section 3-T3N-R7E, but has not yet been completed in the Twin Creek formation.

6. That from geological evidence presented, it appears that all of the acreage hereinabove described is underlain by and would be productive from the Twin Creek formation.

7. That establishment of drilling units is necessary to avoid the drilling of unnecessary wells, to protect correlative rights and to assist in the prevention of waste.

8. That a gas drilling unit of 320 acres will accomplish this and is not smaller nor greater than the maximum area that can be efficiently and economically drained by one well producing gas from the above formation.

9. That the gas in the Twin Creek formation, as defined in Schlumberger's Borehole Compensated Sonic Log for the 34-1 well as that stratigraphic interval from 6440' to 7958' subsurface, constitutes a gas pool under the above described lands.

10. That the above described lands include the area in which additional wells will be drilled in an attempt to define the limits of this gas pool;

11. That if these additional wells encounter gas in the Twin Creek formation, it will be gas contained in the same pool.

12. That the Twin Creek formation is defined as a gas pool.

13. That each future well should be located in such a manner that, at the Twin Creek producing intervals, the well will be no closer than 990 feet from the boundary of the NW/4 and no closer than 990 feet from the boundary of the SE/4 of a governmental section. Each drilling unit should be a half section or lot or lots, or portion thereof, equivalent thereto as established by governmental survey.

14. That said units should be established as follows:

- a. In Sections 27, 28, 33 and 34, T4N, R7E, and in Sections 3 and 4, T3N, R7E, which comprises a Joint Operating Area, the units should be the E/2 and W/2 of each governmental section.
- b. In the remaining Sections, Operator should designate the orientation of the 320 acre gas unit at the time the application for a permit to drill is filed with the Director.
- c. If a dispute arises on the orientation of the spacing units in Section 23, T4N, R7E, the matter should be resolved by the Board after notice and hearing.

15. All wells heretofore drilled in the spaced area should be granted an exception to the location provisions hereof and should be designated as the permitted well on the 320 acre unit upon which each is located.

O R D E R

IT IS THEREFORE ORDERED:

To prevent waste of gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units of relatively uniform size and shape, the Board orders and decrees as follows:

1. That 320 acre gas drilling units for the Twin Creek formation be and the same are hereby established for the following lands:

Township 4 North, Range 7 East
Sections 21 through 23
Sections 26 through 28
Sections 33 through 35

Township 3 North, Range 7 East
Sections 2 through 4

2. That each future well shall be located in such a manner that, at the Twin Creek producing intervals, the well will be no closer than 990 feet from the boundary of the NW/4 and no closer than 990 feet from the boundary of the SE/4 of a governmental section. Each drilling unit shall be a half section or lot or lots, or portion thereof, equivalent thereto as established by governmental survey.

3. That said units shall be established as follows:

- a. In Sections 27, 28, 33 and 34, T4N, R7E, and in Sections 3 and 4, T3N, R7E, which comprises a Joint Operating Area, the units shall be the E/2 and W/2 of each governmental section.
- b. In the remaining Sections, Operator shall designate the orientation of the 320 acre gas unit at the time the application for a permit to drill is filed with the Director.
- c. If a dispute arises on the orientation of the spacing units in Section 23, T4N, R7E, the matter shall be resolved by the Board after notice and hearing.

4. All wells heretofore drilled in the spaced area shall be granted an exception to the location provisions hereof and shall be designated as the permitted well in the 320 acre unit upon which each is located.

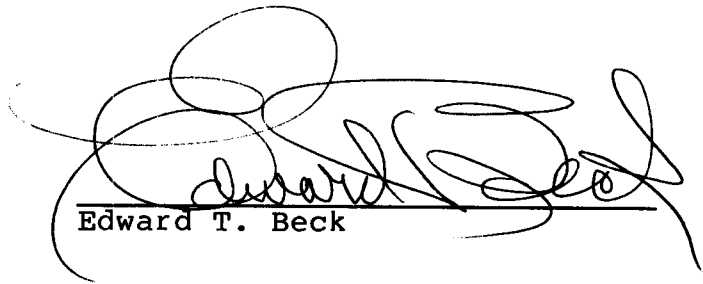
5. That the Board Retains continuing jurisdiction over all matters covered by this Order and particularly to make further orders as may be necessary under conditions and circumstances developed in the future.

Entered this 26th day of July, 1979.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman



C. Ray Juyelin



Edward T. Beck



E. Steele McIntyre



John L. Bell

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