

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) TEMPORARY ORDER
ESTABLISHING TEMPORARY DRILLING UNITS)
FOR CERTAIN LANDS IN SUMMIT COUNTY,) CAUSE NO. 183-2
UTAH.)

Pursuant to the application of Amoco Production Company this cause came on for hearing before the Utah Board of Oil, Gas and Mining and the Wyoming Oil and Gas Conservation Commission on the 26th day of February, 1980, at the hour of 9:00 a.m., in the meeting room of the Three Knights Restaurant, 1925 Highway 30 West, Evanston, Wyoming, and on the 10th day of April, 1980, at the hour of 9:00 a.m., in the Executive Conference Room - Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

The following Board Members were present for the determination:

Charles R. Henderson, Chairman
Edward T. Beck
E. Steele McIntyre
C. Ray Juvelin

Appearances were made as follows:

For Amoco Production Company
W. T. Schwartz
Gordon Ryan
R. B. Giles

For The Anschutz Corporation
Robert Pruitt
Ted Stockmar
Jack Haley

For Mesa Petroleum Corporation
Don Dent
Tom Hawkins
John Barwin
Jim Young

For Champlin Petroleum Company
D. Thomas Kidd

For Browline, Wallace, Armstrong & Bander
Jerry Armstrong

These Hearings were held before both the Wyoming Oil and Gas Conservation Commission and the Utah Board of Oil, Gas and Mining. Since the pool in question underlies both Utah and Wyoming, both the Wyoming Oil and Gas Conservation Commission and the Utah Board of Oil, Gas and Mining were of the opinion that they should take a coordinated approval to the issues presented and consider what the other has done in resolving this matter.

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

FINDINGS

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 Amoco Production Company is the owner of certain working interests and operating rights in and to various oil and gas leases covering certain portions of the following-described lands in the East Anschutz Ranch Field, Summit County, Utah, to wit:

<u>Township 4 North, Range 8 East, SLBM</u>			
Section 16	ALL	Section 28	ALL
Section 17	ALL	Section 29	ALL
		Section 30	ALL
Section 19	ALL	Section 31	ALL
Section 20	ALL	Section 32	ALL
Section 21	ALL	Section 33	ALL

4. That Amoco Production Company has discovered oil and associated hydrocarbons in the Nugget Formation underlying Section 16, Township 4 North, Range 8 East, SLBM, Summit County, Utah. Said section is adjacent to the Wyoming state line.

5. That the Nugget Formation, as defined in Schlumberger's Compensated Neutron-Formation Density log for the Bountiful Livestock No. 1 Well as that stratigraphic interval from 12,796' to an estimated 14,200' subsurface, (the base of the Nugget was not penetrated in the discovery well), underlying the lands described below, is an underground reservoir containing oil, gas and associated hydrocarbons in a pool constituting a common source of supply from which substances may be produced.

6. That such common source underlies the following described lands situated in Summit County, Utah:

Township 4 North, Range 8 East
Section 16, 17, 19, 20, 21,
28, 29, 30, 31, 32 & 33

and extends into Uintah County, Wyoming.

7. That there are "strip sections" of unequal size and less than a full 640 acres immediately adjacent to and on both sides of the Utah - Wyoming state line.

8. That it is not practical to establish drilling units across state lines because of potential problems in taxation and doubt as to the jurisdiction or authority to do so in the absence of something in the nature of an interstate compact.

9. To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, and to protect correlative rights, drilling units of substantially uniform size and shape should be established for such common source of supply.

10. Each governmental quarter section containing 160 acres more or less, is not smaller nor greater than the maximum area that can be efficiently and economically drained by one well and should be designated as a drilling unit for such common source of supply.

11. That each well drilled in the future shall be located on the surface in such a manner that, at the Nugget producing intervals, the well will be no closer than 500 feet from the northern and western boundaries of the NW quarter of the drilling unit or will be no closer than 500 feet from the southern and eastern boundaries of the SE quarter of the drilling unit.

12. That wells to be drilled adjacent to the Wyoming state line will not be completed at a bottom hole location closer than four hundred and sixty feet (460') to said state line.

ORDER

IT IS THEREFORE ORDERED:

1. That drilling units are hereby established for the production of oil, gas and associated hydrocarbons from the Nugget Formation as defined in Schlumberger's Compensated Neutron Formation Density log for the Bountiful Livestock No. 1 Well as that stratigraphic interval from 12,796 feet to an

estimated 14,200 feet subsurface underlying the following described lands situated in Summit County, Utah, to-wit:

Township 4 North, Range 8 East. SLBM			
Section 16	ALL	Section 29	ALL
Section 17	ALL	Section 30	ALL
Section 19	E $\frac{1}{2}$	Section 31	ALL
Section 20	ALL	Section 32	ALL
Section 21	ALL	Section 33	ALL
Section 28	ALL		

2. That each drilling unit shall be a quarter section, or lot or lots, or portion thereof, equivalent thereto as established by governmental survey, oversized drilling units shall comprise the following lands:

Lots 1 and 2 and E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 30 (179.89 acres)
Lots 3 and 4 and E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 30 (181.39 acres)
Lots 1 and 2 and E $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 31 (176.51 acres)
Lots 3 and 4 and E $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 31 (165.51 acres)

undersized drilling units shall comprise the following lands:

Lots 1 and 2 and W $\frac{1}{2}$ N $\frac{1}{2}$ of Section 16 (142.93 acres)
Lots 3 and 4 and W $\frac{1}{2}$ S $\frac{1}{2}$ of Section 16 (144.97 acres)
Lots 1 and 2 and W $\frac{1}{2}$ N $\frac{1}{2}$ of Section 21 (145.35 acres)
Lots 3 and 4 and W $\frac{1}{2}$ S $\frac{1}{2}$ of Section 21 (144.03 acres)
Lots 1 and 2 and W $\frac{1}{2}$ N $\frac{1}{2}$ of Section 28 (142.43 acres)
Lots 3 and 4 and W $\frac{1}{2}$ S $\frac{1}{2}$ of Section 28 (140.58 acres)
Lots 1 and 2 and W $\frac{1}{2}$ N $\frac{1}{2}$ of Section 33 (139.60 acres)
Lots 3 and 4 and W $\frac{1}{2}$ S $\frac{1}{2}$ of Section 33 (139.60 acres)

3. That each well drilled in the future shall be located on the surface in such a manner that, at the Nugget producing intervals, the well will be no closer than 500 feet from the northern and western boundaries of the NW quarter of the drilling unit or will be no closer than 500 feet from the southern and eastern boundaries of the SE quarter of the drilling unit.

4. That wells to be drilled adjacent to the Wyoming state line will not be completed at a bottom hole location closer than four hundred and sixty (460') to said state line.

IT IS FURTHER ORDERED:

A. That this Order shall remain in effect for a period of one (1) year, and that the matters set forth herein shall again be heard by the Board at its regularly scheduled meeting in April, 1981.


B. That during said one-year period the Board, on its own motion, may call a hearing to hear any new evidence as to the matter set forth herein.

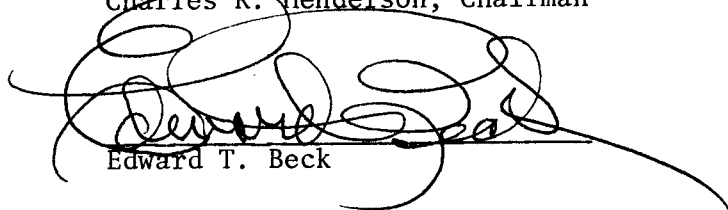
C. That during said one-year period, any interested party may file an application requesting a hearing to present any new evidence concerning the matters set forth herein.

D. That the Board retains continuing jurisdiction of all matters covered by this Order and particularly retains continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

DATED this 23rd day of April, 1980.

BOARD OF OIL, GAS AND MINING


Charles R. Henderson, Chairman


Edward T. Beck


E. Steele McIntyre


C. Ray Juvelin