

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

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IN THE MATTER OF THE PETITION	:	ORDER
OF AMOCO PRODUCTION COMPANY	:	
FOR AN ORDER ESTABLISHING	:	DOCKET NO. 84-069
640-ACRE DRILLING AND SPACING	:	CAUSE NO. 183-12
UNITS FOR THE PRODUCTION OF	:	
OIL AND GAS FROM THE WEBER	:	
FORMATION IN AN UNNAMED	:	
FIELD, SUMMIT COUNTY, UTAH	:	

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This matter was heard before the Board of Oil, Gas, and Mining pursuant to due and proper application and notice at the Board's regular meeting held on October 25, 1984, in the Auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah. The following members of the Board were present:

Gregory P. Williams, Chairman
Charles R. Henderson
John M. Garr
Richard B. Larsen
Constance K. Lundberg
E. Steele McIntyre
James W. Carter

Also present were: Dr. Dianne R. Nielson, Director, Division of Oil, Gas and Mining; Barbara W. Roberts, Assistant Attorney General, David S. Christensen, Attorney General, Ronald J. Firth, Associate Director, Division of Oil, Gas and Mining.

Also present and appearing for Petitioner, Amoco Production Company, were Gary L. Paulson, attorney for Amoco Production Company and Robert Hill, attorney, Ray Quinney & Nebeker; C. A. Wood, Petroleum Engineer and D. S. Muller, Petroleum Geologist for Amoco Production Company; and appearing for the Anschutz Corporation were David K. Detton, attorney, Holme Roberts & Owen, and Judy L. West, Petroleum Geologist for the Anschutz Corporation.

Also appearing by written memorandum as an interested party was Al Valentine on behalf of Champlin Petroleum Company.

Based upon the testimony and evidence presented by the Applicant at the hearing, the Board makes and enters the following Findings of Fact and Order:

FINDINGS OF FACT

1. Due and proper notice was given to all interested parties for the hearing. The Board has jurisdiction to hear this matter and make the findings and order set forth herein.

2. The Island Ranch "D" Well No. 1 located on the surface 886 feet FNL and 850 feet FWL and, at the producing interval, at 1558 feet FNL and 1707 feet FWL in Section 14, Township 4 North, Range 7 East, Summit County, Utah has been completed as a gas producer in the Weber formation and is currently shut in pending market arrangements.

3. The Weber formation is defined as the stratigraphic equivalent of the interval from -6,709 feet to -7,464 feet subsurface, as defined in the compensated Formation Density/Compensated Neutron Log for the Island Ranch "D" No. 1 Well as shown on Applicant's Exhibit No. 1.

4. The gas in the Weber formation constitutes a common gas pool underlying the following described lands:

Township 3 North, Range 7 East

Sections 3 thru 5
Sections 8 and 9

Township 4 North, Range 7 East

Sections 11 thru 15
Sections 21 thru 23
Sections 26 thru 28
Sections 33 and 34

hereinafter the "Subject Lands"

5. The Island Ranch "D" No. 1 Well is the discovery well for the Weber gas pool described in paragraph 4 hereinabove. If additional wells encountered gas in the Weber formation underlying the Subject Lands, such gas will be produced from the same pool. The Subject Lands constitute all of those lands which are underlain by the Weber gas pool.

6. The maximum area within the Subject Lands that can be efficiently and economically drained by one well completed in the Weber gas pool is not smaller than 640 acres.

7. Each drilling and spacing unit shall be a section, or lot or lots, or portion thereof, equivalent thereto as established by government survey.

8. The application of Amoco Production Company recommends that each future well within the Subject Lands should be permitted to be drilled anywhere on the surface of the drilling and spacing unit such that the bottomhole location at the producing interval should be no closer than 1320 feet to the exterior boundary of the drilling and spacing unit.

9. That The Anschutz Corporation has recommended that Amoco's application should be granted in all respects except that the required set back distance, as measured at the producing interval of the Weber formation should be no closer than 990 feet to the exterior boundary of the drilling and spacing unit so as to permit the operator of the well greater flexibility in drilling the well.

10. That the Island Ranch "D" No. 1 Well should be recognized as the permitted well for the 640 acre gas drilling and spacing unit consisting of Section 14, Township 4 North, Range 7 East, Summit County, Utah.

11. Inasmuch as the location of a well under this Order will be defined by the bottom hole location at the producing interval, it is desirable that directional surveys be run in the well bore by each operator after the drilling of a well in order to determine the true bottomhole location of the well.

12. The granting of this application is necessary to prevent waste of the hydrocarbon resources, to protect the correlative rights of the owners in the subject gas pool and to prevent the drilling of unnecessary wells.

13. The Applicant, Amoco Production Company, has recommended that the Weber gas pool be designated the "Rees Creek Field".

ORDER

NOW THEREFORE, it is Ordered by the Board:

1. The Weber formation underlying the following described lands is designated as a gas pool.

2. Drilling and spacing units covering the Subject Lands, which constitute all lands underlain by the Weber gas pool, are hereby established.

3. Each drilling and spacing unit shall constitute one full section of 640 acres, more or less, as established by regular governmental survey.

4. No more than one well shall be drilled in any one drilling and spacing unit for production from the Weber gas pool.

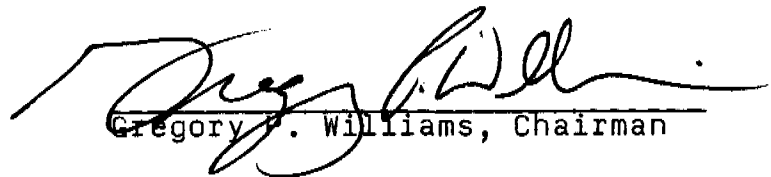
5. The Island Ranching "D" No. 1 Well is hereby recognized as the permitted well for the 640 acre gas drilling and spacing unit consisting of Section 14, Township 4 North, Range 7 East, Summit County, Utah.

6. The permitted well in each drilling and spacing unit shall be located anywhere on the surface of the drilling and spacing unit such that the bottomhole location at the Weber producing interval shall be in the center portion of the unit no closer than 990 feet to the exterior boundary of the drilling and spacing unit.

7. That the operator of each well drilled to the Weber gas pool within the subject area from and after the date of this Order shall within thirty days after completion of the well cause a directional survey to be run in the well bore to determine the bottomhole location of the well and such directional survey shall be promptly filed with the Board.

DATED this 7th day of December, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Gregory P. Williams, Chairman

APPROVED AS TO FORM:


David S. Christensen
Assistant Attorney General



Gary L. Paulson
Attorney

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DIVISION OF OIL
GAS & MINING

Amoco Production Company

Denver Region
1670 Broadway
P.O. Box 800
Denver, Colorado 80201
303-830-4040

October 31, 1984

Mr. David Detton
Holme Roberts & Owen
1700 Broadway
Denver, Colorado 80290

Re: Order - Amoco Production Company Application
for Spacing of Rees Creek Field
Summit County, Utah

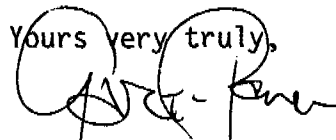
Dear David:

Enclosed herein please find the original and 4 copies of a proposed order in the above captioned matter for your review. If this meets with your approval, please indicate your approval on the original and 4 copies in the appropriate portion of the Order and forward them to the Board.

If you have any questions, please give me a call. If you wish to make changes in the proposed form of order, please give me a call before doing so.

Thank you for your courtesy and cooperation in this matter.

Yours very truly,



Gary L. Paulson

GLP:lls

cc: David Christensen
Barbara W. Roberts
Marjorie L. Larson ✓
Robert Hill
Dr. Diane Nielson
C. A. Wood

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James W. Carter

Also present were: Dr. Dianne Nielson, Director of the Division of Oil, Gas and Mining; Marjorie L. Larson, Secretary to the Board; Barbara W. Roberts, Assistant Attorney General, David Christensen, Attorney for the Board of Oil, Gas and Mining; Ronald W. Daniels, Deputy Director, Division of Oil, Gas and Mining; Ronald J. Firth, Chief Petroleum Engineer.

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Approved as to form:

Robert Hill
and Gary Paulson,
Attorneys for
AMOCO PRODUCTION COMPANY

By _____
Gary L. Paulson

David K. Ketton
Attorney for
THE ANSCHUTZ CORPORATION

By _____

David Christensen
Attorney for
UTAH BOARD OF OIL, GAS AND MINING

By _____

DATED this _____ day of _____, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

Gregory P. Williams, Chairman

John M. Garr

Charles R. Henderson

Richard B. Larsen

Constance K. Lundberg

E. Steele McIntyre