

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

In the Matter of the Amended Petition)	Findings of Fact,
of Amoco Production Company to Vacate)	Conclusions of Law,
Paragraphs 4 and 5 of the Board's)	and Order
Order Issued on October 29, 1982, in)	Cause No. 203-5
Cause No. 203-1.)	Docket No. 84-015

This matter was heard before the Board of Oil, Gas and Mining at its regularly scheduled hearing at 10:00 a.m. on May 24, 1984, in the Department of Natural Resources Auditorium, 1636 West North Temple, Salt Lake City, Utah. The following Board Members, constituting a quorum, were present and participated in the hearing and in the decision embodied herein:

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

Members of the staff of the Division of Oil, Gas and Mining present at and participating in the hearing included:

Dr. Dianne R. Nielson, Director
Ronald J. Firth, Associate Director
John R. Baza, Petroleum Engineer

Barbara W. Roberts, Assistant Attorney General of the State of Utah, also participated in the hearing on behalf of the Division.

The following appeared at the hearing:

Amoco Production Company

By Gary L. Paulson, Esq.

Amoco Production Company
Denver, Colorado

Robert P. Hill, Esq.

Ray, Quinney & Nebeker
Salt Lake City, Utah

Davis Oil Company

By Robert G. Pruitt, Jr., Esq.

Pruitt, Gushee & Fletcher
Salt Lake City, Utah

Robert Blaylock

Davis Oil Company
Denver, Colorado

Testimony was received from, and exhibits were introduced on behalf of Amoco Production Company by, C. Allen Wood, Petroleum Engineer, Arthur E. Berman, Geologist, and Lon O. Buehner, Petroleum Reservoir Engineer, each of whom was recognized by the Board as an expert in his respective field in the context of this matter.

Davis Oil Company made a statement at the hearing supporting Amoco Production Company's amended petition in this matter, and letters supporting the amended petition from Champlin Petroleum Company and American Quasar Petroleum Company were accepted as part of the record herein.

The Board, having considered the testimony, exhibits, and evidence presented and the statements made by the participants at the hearing, now makes and enters the following:

FINDINGS OF FACT

1. The Board entered its amended order establishing 80-acre drilling units for the North Pineview Field in Cause No. 203-1 on October 29, 1982. Paragraphs 4 and 5 of that order provided as follows:

4. The operator of each well shall be required to take a bottom hole pressure test for each well every thirty (30) days and promptly report the results to the Division of Oil, Gas and Mining until further Order of this Board.

5. Until a pressure maintenance system is approved by this Board and placed in operation for any well, production of gas and condensate from each such well within the spaced area may not exceed 350 barrels of condensate per day and 4 million cubic feet of gas per day, as long as the reservoir pressure is 150 psi or more above the retrograde dew point. If any bottom hole pressure test referred to above shows that the reservoir pressure is less than 150 psi above the retrograde dew point, all production from such well shall forthwith cease and said well shall be shut-in until the pressure in the well separately measured can be maintained at least 150 psi above the dew point, or until further order of the Board.

2. At the time the said spacing order was entered in Cause No. 203-1, based on information then available, it appeared that the North Pineview Field might contain sufficient recoverable reserves to justify

a pressure maintenance program to maximize the economic production of those reserves. The purpose of Paragraphs 4 and 5 of that order was to preserve that possibility while further development occurred in the field until such time as it could be determined whether such a program was in fact feasible and economically justifiable.

3. In the original petition in this Cause No. 203-5, Amoco Production Company sought permission to produce and flare gas from the Champlin 544 Amoco "D" No. 1 Well for the purpose of dew point pressure confirmation. While that permission was not granted, the Board did enter an order following its hearing on January 26, 1984, in this matter, Paragraph 2 of which required Davis Oil Company to test the Logan Federal No. 1 and the Logan Federal No. 2A Wells for the purpose of dew point confirmation.

4. Based on evidence presented at the Board's hearing on April 26, 1983, it appears that the measured dew point for the North Pineview reservoir is 4863 psi, rather than 4731 psi as believed at the time of the entry of the original spacing order in Cause No. 203-1.

5. Since the entry of the original spacing order in Cause No. 203-1, the working interest owners in the North Pineview field have drilled sufficient additional wells to define the extent and characteristics of the reservoir, and no further drilling is expected or justified for the purpose of defining the reservoir.

6. The volume of recoverable reserves in place in the North Pineview field, as proved by developmental drilling since the entry of the original spacing order in Cause No. 203-1, is much less than originally anticipated when the order was entered. Specifically, the reserves now established are insufficient to justify any kind of pressure maintenance operation for the field.

7. No further useful purpose would be served by keeping the protective restrictions on production contained in Paragraphs 4 and 5 of the original spacing order in effect, or by requiring Davis Oil Company to test the Logan Federal No. 2A Well for the purpose of dew point confirmation.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place, and subject matter of this hearing in Cause No. 203-5 was given to all interested persons in accordance with applicable law and with the rules, practices, and orders of the Board pertaining to this matter.

2. The amended petition of Amoco Production Company in this matter was properly before the Board at the hearing, and the Board has jurisdiction over the matters contained therein.

3. The Board has received and duly considered adequate, substantial evidence to support its decision herein, and that decision is supported by such evidence.

4. The Board has authority to enter the order set forth below.

5. Based on the evidence before the Board and on the foregoing findings of fact, Paragraphs 4 and 5 of the Board's Order of October 29, 1982, in Cause No. 203-1, and Paragraph 2 of the Board's Order entered following the January 26, 1984, hearing in this Cause No. 203-5 (to the extent that paragraph would have required further testing of the Logan Federal No. 2A Well), should be vacated, and Paragraph 9 of the Board's Findings of Fact and Conclusions of Law made on October 29, 1982, in Cause No. 203-1 should be modified by substituting 4863 psi for 4731 psi as the measured dew point in the North Pineview Reservoir.

ORDER

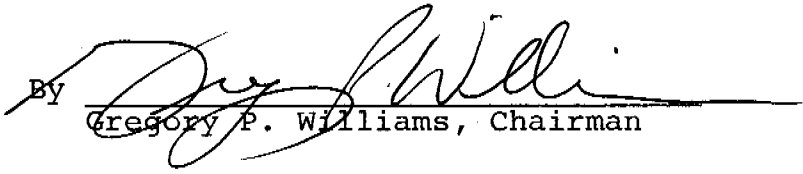
IT IS HEREBY ORDERED, THAT:

1. Paragraphs 4 and 5 of the Board's Order in Cause No. 203-1 dated October 29, 1982, are hereby vacated.
2. Paragraph 9 of the Board's Findings of Fact and Conclusions of Law in Cause No. 203-1 dated October 29, 1982, is hereby modified by substituting 4863 psi for 4731 psi as the measured dew point for the North Pineview Reservoir.
3. Paragraph 2 of the Board's Order in Cause No. 203-5 entered following the Board's hearing of January 26, 1984, is hereby vacated to the extent that paragraph would have required further testing of the Logan Federal No. 2A Well.
4. This Order shall be deemed to have been issued and shall be effective as of May 24, 1984, the date of the Board's decision at the hearing in this matter.
5. The Board retains continuing jurisdiction over all matters covered by this Order and over all persons affected hereby for the purpose of making such further orders and taking such further actions as the Board may deem appropriate in accordance with applicable laws and with the rules of the Board.


Entered this 22nd day of June, 1984.

BOARD OF OIL, GAS AND MINING

By


Gregory P. Williams, Chairman

Approved as to form:


Barbara W. Roberts
Assistant Attorney General

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached proposed Findings of Fact, Conclusions of Law, and Order in Cause No. 203-5 on the parties identified below by mailing a copy thereof, properly addressed, with postage prepaid, to each.

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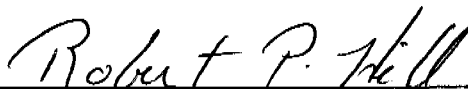
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DATED this 4th day of June, 1984.



Robert P. Hill

