

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	*	
DEL-RIO RESOURCES, INC., FOR AN ORDER	*	ORDER
ESTABLISHING DRILLING AND SPACING	*	
UNITS FOR THE WASATCH AND MESAVERDE	*	CAUSE NO. 207-1
FORMATIONS UNDERLYING PORTIONS OF	*	
LAND IN TOWNSHIP 12 & 13 SOUTH,	*	
RANGE 20 & 21 EAST, Uintah County,	*	
UTAH	*	

Pursuant to the Application of Del-Rio Resources, Inc., this cause came on for consideration before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Thursday, August 25, 1983, in the Auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah.

The following Board members were present:

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

Also present and participating in the hearing were:

Barbara W. Roberts, Assistant Attorney General
R. J. Firth, Chief Petroleum Engineer, Division of Oil, Gas & Mining
Dr. G. A. Shirazi, Director, Division of Oil, Gas & Mining

Del-Rio Resources, Inc. was represented by: Gerald E. Nielson, Esq.; Mr. Kent A. Swanson, Geologist, and Mr. Randy Simpson, CPA, Controller, testified in behalf of Del-Rio Resources, Inc. No other appearances were made and no one objected to the granting of the Application.

NOW, THEREFORE, the Board having fully considered the testimony introduced and the exhibits received at said hearing and from the records on file herein, makes the following Findings of Fact and Order.

FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board.
2. The Board has jurisdiction over all matters covered by said notice and over all parties interested therein and has the power and authority to make and promulgate the Order hereinafter set forth.

3. That the area involved in this cause is located in Uintah County, State of Utah and is described as follows:

Township 12 South, Range 20 East, SLM

Section 21:	All	Section 26:	All
Section 22:	All	Section 27:	All
Section 23:	All	Section 28:	All
Section 24:	W/2	Section 29:	All
Section 25:	W/2	Section 35:	All

Township 13 South, Range 20 East, SLM

Section 1:	All	Section 11:	All
Section 3:	All	Section 12:	All
Section 4:	All	Section 13:	All
Section 5:	All	Section 14:	All
Section 6:	All	Section 15:	E/2
Section 7:	All	Section 22:	E/2
Section 8:	All	Section 23:	All
Section 9:	All	Section 24:	All
Section 10:	All	Section 25:	All
		Section 26:	All

Township 13 South, Range 21 East, SLM

Section 6:	W/2
Section 7:	W/2
Section 18:	W/2
Section 19:	W/2
Section 30:	W/2

4. That subsurface correlations indicate that the Wasatch and Mesaverde sands are lenticular and discontinuous with extremely low permeability and deliverability.

5. That the discontinuity of these individual sand reservoirs is confirmed by the fact that in many cases, the sand which is productive in one well, is not present in adjacent wells.

6. That due to the discontinuity and lenticularity of the sands, 320-acre drilling and spacing units will efficiently and economically recover the gas and associated hydrocarbons from the reservoirs as found in and underlying the above described lands.

7. The spaced interval underlying the above described lands should be defined as:

(1) Wasatch Formation

That interval below the stratigraphic equivalent of 2860 feet depth on the Induction Electrical Log of the H M Byllesby No. 2 Well located on the NE1/4, SW1/4, Section 5, Township 13 South, Range 20 East, SLM, Uintah County, Utah, to the base of the Wasatch Formation.

(2) Mesaverde Formation

That interval below the stratigraphic equivalent of 5579 feet depth on the Induction Electrical Log of the H M Byllesby No. 2 Well located in the NE1/4, SW1/4, Section 5, Township 13 South, Range 20 East, SLM, Uintah County, Utah, to the base of the Mesaverde Formation.

8. That vertical (standup) 320-acre drilling and spacing units should be established to prevent waste of gas and associated hydrocarbons, avoid the drilling of unnecessary wells and protect the correlative rights of all parties holding interests in the area.

9. That the permitted drill sites be located in the NW/4 or the SE/4 of each governmental section no closer than 660 feet to the exterior boundary of the NW/4 or the SE/4 and that the Division may authorize variances for the location of the drill sites for topographic reasons.

10. That commingling of the production from the Wasatch and Mesaverde Formations is not authorized from any wells within the spaced area.

ORDER

IT IS THEREFORE ORDERED, by the Board as follows:

1. That 320-acre drilling and spacing units be, and the same are, hereby established for the development and production of gas and associated hydrocarbons from the Wasatch and Mesaverde Formations underlying the following described area in Uintah County, State of Utah:

Township 12 South, Range 20 East, SLM

Section 21:	All	Section 26:	All
Section 22:	All	Section 27:	All
Section 23:	All	Section 28:	All
Section 24:	W/2	Section 29:	All
Section 25:	W/2	Section 35:	All

Township 13 South, Range 20 East, SLM

Section 1:	All	Section 11:	All
Section 3:	All	Section 12:	All
Section 4:	All	Section 13:	All
Section 5:	All	Section 14:	All
Section 6:	All	Section 15:	E/2
Section 7:	All	Section 22:	E/2
Section 8:	All	Section 23:	All
Section 9:	All	Section 24:	All
Section 10:	All	Section 25:	All
		Section 26:	All

Township 13 South, Range 21 East, S1M

Section 6: W/2
Section 7: W/2
Section 18: W/2
Section 19: W/2
Section 30: W/2

2. That the vertical (standup) 320-acre drilling and spacing units for the above described area shall be the W/2 or the E/2 of each governmental section.

3. That the permitted drill sites be located in the NW/4 or the SE/4 of each governmental section no closer than 660 feet to the exterior boundry of the NW/4 or the SE/4.

4. That the Division may administratively authorize variances for the location of the drill sites for topographic reasons.

5. That the spaced interval underlying the above described lands is defined as:

(1) Wasatch Formation

That interval below the stratigraphic equivalent of 2860 feet depth on the Induction Electrical Log of the H M Byllesby No. 2 Well located on the NE1/4, SW1/4, Section 5, Township 13 South, Range 20 East, S1M, Uintah County, Utah, to the base of the Wasatch Formation.

(2) Mesaverde Formation


That interval below the stratigraphic equivalent of 5579 feet depth on the Induction Electrical Log of the H M Byllesby No. 2 Well located in the NE1/4, SW1/4, Section 5, Township 13 South, Range 20 East, S1M, Uintah County, Utah, to the base of the Mesaverde Formation.

6. That commingling of the production from the Wasatch and Mesaverde Formations is not authorized for any wells in drilling or spacing units within the above described spaced area.

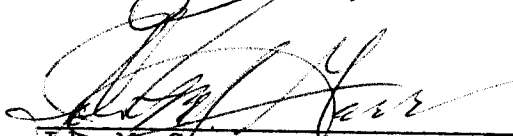
7. That the Board retains continuing jurisdiction over all matters covered by this Order and all other applicable orders and over all parties affected thereby and particularly that the Board retains and reserved continuing jurisdiction to make further orders as it may deem appropriate and as authorized by the statute and applicable regulations.

DATED this 25th day of August, 1983.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING



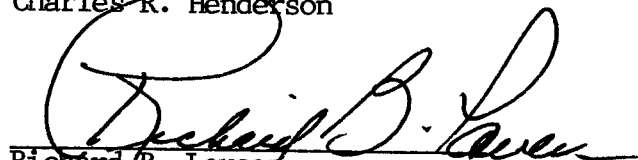
Gregory P. Williams, Chairman



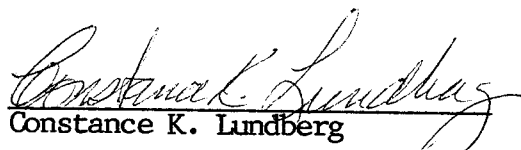
John M. Carr



Charles R. Henderson



Richard B. Larsen



Constance K. Lundberg



E. Steele McIntyre