

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

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IN THE MATTER OF THE AMENDED	:	ORDER
REQUEST FOR AGENCY ACTION OF	:	
PG&E RESOURCES COMPANY FOR	:	DOCKET NO. 93-011
AN ORDER CREATING 160-ACRE	:	
DRILLING UNITS IN PORTIONS	:	CAUSE NO. 220-2
OR ALL OF SECTIONS 9, 10,	:	
11, 12, 13, 14, 15 AND 16	:	
OF TOWNSHIP 12 SOUTH, RANGE	:	
10 EAST, S.L.M., CARBON	:	
COUNTY, FOR THE DRILLING	:	
AND PRODUCTION OF METHANE GAS	:	
WELLS IN THE CRETACEOUS MESA	:	
VERDE/BLACKHAWK FORMATION	:	

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This matter was heard before the Board of Oil, Gas and Mining at its regularly scheduled meeting at 10:00 a.m. on June 23, 1993, in the Boardroom of the Division of Oil, Gas and Mining, 3 Triad, Suite 520, 355 West North Temple, Salt Lake City, Utah. The following Board members, constituting a quorum, were present and participated in the hearing and the decision embodied herein:

Dave D. Lauriski, Chairman  
Judy F. Lever  
Kent G. Stringham  
Jay L. Christensen  
Raymond Murray  
Thomas B. Faddies

The Division of Oil, Gas and Mining was represented by Thomas A. Mitchell, Assistant Attorney General and the Board of Oil, Gas and Mining was represented by William R. Richards, Assistant Attorney General.

Members of the Division of Oil, Gas and Mining present and participating in the hearing were James W. Carter, Director; Ronald J. Firth, Associate Director of Oil & Gas; Frank R. Matthews, Petroleum Engineer; Bradley Hill, Petroleum Geologist; Mary Ann Wright, Acting Associate Director of Mining.

The Utah State Office, Bureau of Land Management, Salt Lake City, was represented by Assad Raffoul and Robert Henricks.

Petitioner, PG&E Resources Company, was represented by Alan A. Enke, of Ray, Quinney & Nebeker.

Testimony was received from, and exhibits were introduced on behalf of PG&E Resources Company by George P. Banitch, Esq.; Jeff Hart, Geologist; and Glenn Bultmann.

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. On May 5, 1993, Applicant, PG&E Resources Company ("PG&E"), submitted an Amended Request for Agency Action for an Order creating 160-acre drilling units for the drilling and production of methane gas wells in the Cretaceous Mesa Verde/Blackhawk Formation, being the stratigraphic equivalent of 3,582 feet below the surface of the earth down to 4,500 feet as measured in the Shimmin Trust #4 Well located in SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11, Township 12 South, Range 10 East (the "Formation"), in the following described tracts of land (the "Subject Property"):

Township 12 South, Range 10 East, S.L.M.

Section 9: E $\frac{1}{2}$   
Section 10: S $\frac{1}{2}$ , NW $\frac{1}{4}$   
Section 11: S $\frac{1}{2}$   
Section 12: SW $\frac{1}{4}$   
Section 13: W $\frac{1}{2}$   
Section 14: All  
Section 15: All  
Section 16: E $\frac{1}{2}$

2. PG&E is the operator of 25 methane wells which have been drilled in the area of the Subject Property as set forth in detail in Exhibit 1 entered into evidence at the hearing.

3. One well has been drilled in each 160-acre tract, and there are two producing wells in the following quarter sections ("Exceptional Tracts"):

Township 12 South, Range 10 East, S.L.M.

Section 10: SE $\frac{1}{4}$   
Section 11: SW $\frac{1}{4}$ , SE $\frac{1}{4}$   
Section 12: SW $\frac{1}{4}$   
Section 14: NE $\frac{1}{4}$

4. The Subject Property and the surrounding, contiguous acreage are not currently spaced under the provisions of Utah Code Ann. § 40-6-6 (1953, as amended).

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and subject matter of this hearing in Cause No. 220-2, Docket No. 93-011 was given to all interested persons in accordance with the applicable law, and with the rules, practices and orders of the Board pertaining to this matter.

2. The Petition of PG&E Resources Company in this matter was properly before the Board at the hearing, and the Board has jurisdiction over the matters contained therein.

3. In order to prevent waste, to obtain a greater recovery of gas from the Subject Property, and to protect the correlative rights of the owners of the Subject Property and the owners of interests in the surrounding lands, the Board should grant the application for 160-acre spacing in the Formation.

4. The Board, under the authority granted under Utah Code Ann. § 40-6-6(6)(d) (1953, as amended), may permit the production of two wells within the drilling units established by the Board within the Exceptional Tracts in the Formation.

#### ORDER

IT IS HEREBY ORDERED THAT:

1. The Application as filed by PG&E Resources Company requesting agency action for an Order establishing the 160-acre drilling units for the production of methane gas wells in the Cretaceous Mesa Verde/Blackhawk Formation, being the stratigraphic equivalent if 3,582 feet below the surface of the earth down to 4,500 feet as measured in the Shimmin Trust #4 Well located in SE $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 11, Township 12 South, Range 10 East, in the Subject Property located in Carbon County, Utah, is hereby granted.

The Application for two producing wells per drilling unit within the Exceptional Tracts is hereby granted.

DATED AND ISSUED this 9<sup>th</sup> day of July, 1993.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING



By \_\_\_\_\_  
Dave D. Lauriski, Chairman

CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing ORDER in Docket No. 93-011, Cause No. 220-2 to be mailed by certified mail, postage prepaid, on the 9th day of July, 1993, to the following:

✓ Alan A. Enke, Esq.  
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✓ PG&E Resources Company  
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Dallas, Texas 75225

Mailed by first class mail:

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Lynda Jensen