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

IN THE MATTER OF THE)	
PETITION OF MAY PETROLEUM,)	
INC. FOR AN ORDER TO PERMIT)	
THE DRILLING OF THE BUG 6-A)	
WELL AS AN ADDITIONAL WELL)	ORDER
FOR PRODUCTION FROM THE DESERT)	
CREEK ZONE IN THE SE $\frac{1}{4}$ OF)	Cause No. 186-13
SECTION 7, TOWNSHIP 36 SOUTH)	
RANGE, RANGE 26 EAST, S.L.M.,)	Docket No. 84-019
SAN JUAN COUNTY, UTAH.)	

May Petroleum, Inc.'s Amended Petition for an order to permit the drilling of the Bug 6-A well as an additional well for production from the Desert Creek Zone in the SE $\frac{1}{4}$ of Section 7, Township 36 South, Range 26 East, S.L.M., San Juan County, Utah, came before the board for hearing on Thursday, April 26, 1984. After hearing the evidence introduced in support of said Amended Petition, and having reviewed the responses offered in support and in opposition to said Amended Petition, and good cause appearing therefor,

THE BOARD HEREBY FINDS THAT:

1. The existing Bug 6 well located in the SE $\frac{1}{4}$ of Section 7, Township 36 South, Range 26 East, S.L.M., San Juan County, Utah, located in a 160 acre drilling and spacing unit for the Desert Creek formation pursuant to this Board's Order in cause number 186-1, drains a reservoir that is separate from and not in effective communication with the main producing reservoir underlying the SE $\frac{1}{4}$ of said Section 7;

2. Because the existing Bug 6 well is not in effective communication with the main Bug producing Desert Creek Reservoir underlying the SE $\frac{1}{4}$ of Section 7, petitioner, May Petroleum, Inc., cannot effectively develop its interest in oil, gas, and associated hydrocarbons located in the main Bug producing Desert Creek Reservoir underlying the SE $\frac{1}{4}$ of said Section 7;

3. Petitioner's interest in the oil, gas, and associated hydrocarbons in the main Bug producing Desert Creek Reservoir underlying the SE $\frac{1}{4}$ of said Section 7 are currently being partially drained, and will continue to be partially drained, by wells lying in other drilling units in which petitioner, May Petroleum, Inc., owns no interest;

4. The optimum location for a well in the main Bug producing Desert Creek Reservoir in the SE $\frac{1}{4}$ of Section 7 is at a point 875 feet from the south line and 1,762 feet from the east line of said Section 7;

5. By allowing the proposed Bug 6-A well to be drilled at the location requested by petitioner, the Board will prevent the inefficient development and waste of oil and gas contained in the Bug Field, and will prevent any further loss of petitioner's correlative rights due to drainage of petitioner's interest by other wells, as required by Utah Code Ann. §§ 40-6-1 & 6;

6. Because the existing Bug 6 well drains a reservoir that is separate from and not in effective communication with the main Bug producing Desert Creek Reservoir underlying the SE¼ of said Section 7, by allowing the existing Bug 6 well to remain open in addition to the proposed Bug 6-A well, the Board will allow the Desert Creek Reservoir underlying the Bug 6 well to be drained and will prevent the inefficient development and waste of oil and gas contained in the Bug Field as required by Utah Code Ann. §§ 40-6-1 & 6;

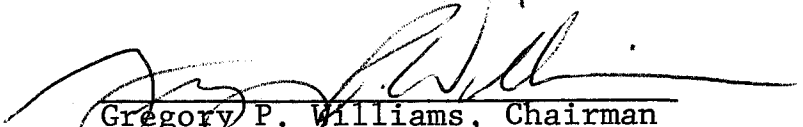
7. Allowing two production wells, the Bug 6 well and the Bug 6-A well, in the existing 160 acre drilling and spacing unit for the Desert Creek Reservoir in the SE¼ of Section 7 will not adversely affect the correlative rights of oil and gas interest owners on adjacent lands and the ownership interests in the proposed Bug 6-A well are the same as the ownership interests in the existing Bug 6 well.

THEREFORE, IT IS HEREBY ORDERED THAT:

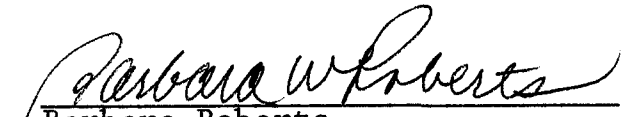
1. The Bug 6-A well may be drilled at a point 875 feet from the south line and 1,762 feet from the east line of Section 7, Township 36 South, Range 26 East, S.L.M., San Juan County, Utah as an additional production well within the existing drilling unit for the Desert Creek reservoir in the SE $\frac{1}{4}$ of said Section 7, pursuant to Utah Code Ann. § 40-6-6(4), and as an exception well location to the Board's Order in Cause No. 186-1;

2. The existing Bug 6 well located in the SE $\frac{1}{4}$ of Section 7, Township 36 South, Range 26 East, S.L.M., San Juan County, Utah, may remain open as an additional production well within the existing drilling unit for the Desert Creek Reservoir located in the SE $\frac{1}{4}$ of said Section 7, pursuant to Utah Code Ann. § 40-6-6(4), and as an exception to the Board's Order in Cause No. 186-1.

DATED this 16th day of May, 1984.


Gregory P. Williams, Chairman
Board of Oil, Gas & Mining

Approved as to form:


Barbara Roberts
Office of the Attorney General
State of Utah