

**REOPENED CASE NO. 11089**

**March 20, 1997**

**EXHIBIT NO. 5**

**Examiner Catanach**



UNITED STATES DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
SAN JUAN RESOURCE AREA OFFICE  
701 CAMINO DEL RIO  
DURANGO COLORADO 81301

TRIBAL ENERGY ADMIN.

JUL 13 1995

IN THE MATTER OF THE )  
PROMULGATION AND )  
ESTABLISHMENT OF FIELD RULES )  
TO GOVERN OPERATIONS ON THE )  
UTE MOUNTAIN UTE )  
RESERVATION IN THE ISMAY )  
FORMATION, DESERT CREEK )  
FORMATION, AKAH/UPPER )  
BARKER CREEK FORMATION, AND )  
LOWER BARKER CREEK/ALKALI )  
GULCH FORMATION IN THE )  
BARKER DOME PARADOX GROUP, )  
LA PLATA AND MONTEZUMA )  
COUNTIES, COLORADO, AND SAN )  
JUAN COUNTY, NEW MEXICO. )

BLM Order No. UMU-1

Title 43 Code of Federal Regulations (CFR) 3162.3-1(a), authorizes the Bureau of Land Management (BLM) to establish a program which ensures oil and gas wells are drilled in conformity with an acceptable well spacing plan. The courts and the Interior Board of Land Appeals have held that the BLM has jurisdiction to set well spacing on lands which are held in trust by the United States for Tribes or individual members of a Tribe, decisions and orders of the respective States notwithstanding. See, e.g., Assiniboine & Sioux Tribes of Fort Peck Indian Reservation v. Board of Oil and Gas Conservation of the State of Montana, 792 F.2d 782, 794-96 (9th Cir. 1986) ; San Juan Citizens Alliance, et al, 129 IBLA 1 (1994). Lacking a cooperative agreement between the Ute Mountain Ute Tribe (Tribe) , the BLM, the states of Colorado and New Mexico , governing establishment of spacing on Ute Mountain Ute Indian lands, BLM utilized the existing oil and gas hearing processes of the Colorado Oil and Gas Conservation Commission and the New Mexico Oil Conservation Division for the purposes of notification, public hearing, and receiving recommendations from the respective state bodies. However, in matters involving well spacing and oil and gas operations across state lines within the Ute Mountain Ute Reservation, the BLM authorized officer issues the final governing order pursuant to 43CFR3162.3-1(a) to ensure adequacy and consistency.

FINDINGS

This matter came before the Bureau of Land Management (BLM) on the application of Meridian Oil Inc., through the New Mexico Oil Conservation Division hearing process on November 10, 1994, in Santa Fe, New Mexico, and through the Colorado Oil and Gas Conservation Commission

hearing process on February 21, 1995, in Denver, Colorado, for an order to establish certain drilling and spacing units for production of gas and associated hydrocarbons from the Ismay Formation, Desert Creek Formation, Akah/Upper Barker Creek Formation, and Lower Barker Creek/Alkali Gulch Formation. The BLM's findings are as follows:

1. Due public notice has been given through the respective state commission hearing processes. No protests were received on this matter before the New Mexico Oil Conservation Division at its hearing on November 10, 1994, under Case No. 11089 and subsequent Order No. R-46-A, or before the Colorado Oil and Gas Conservation Commission at its administrative hearing on February 17, 1995, under Cause No. 515, Docket No. 2-6 and subsequent Order No. 515-1

2. For purposes of identification, the Ismay Formation, the Desert Creek Formation, the Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation are identified as follows:

(a) Ismay Formation: The Ismay Formation shall be defined as the interval occurring from the top of the Ismay Formation at 8,502 feet to the base of the Ismay Formation at 8,693 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

(b) Desert Creek Formation: The Desert Creek Formation shall be defined as the interval occurring from the top of the Desert Creek Formation at 8,693 feet to the base of the Desert Creek Formation at 8,809 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

(c) Akah/Upper Barker Creek Formation: The Akah/Upper Barker Creek Formation shall be defined as the interval occurring from the top of the Akah Member at 8,809 feet to the base of the Upper Barker Creek Member at 9,134 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

(d) Lower Barker Creek/Alkali Gulch Formation: The Lower Barker Creek/Alkali Gulch Formation shall be defined as the interval occurring from the base of the Akah/Upper Barker Creek Formation at 9,134 feet to the base of the Alkali Gulch Member at 9,444 feet as identified on the log of the Ute #16 Well located in Lot 1 of Section 22, Township 32 North, Range 13½ West, N.M.P.M., Colorado.

3. That the evidence presented at the two respective hearings indicates that the Ismay Formation, the Desert Creek Formation, the Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation are separate sources of supply for the production of gas and associated hydrocarbon substances underlying the following described lands in San Juan County, New Mexico, and La Plata and Montezuma Counties, Colorado within the Ute Mountain Ute Indian Reservation:

Township 32 North, Range 14 West. N.M.P.M., San Juan County, New Mexico

Section 7: All	Section 8: All
Section 9: All	Section 10: All
Section 11: All	Section 14: All
Section 15: All	Section 16: All
Section 17: All	Section 18: All
Section 19: All	Section 20: All
Section 21: All	Section 22: All
Section 23: All	Section 27: NW/4
Section 28: All	Section 29: All
Section 30: All	Section 31: All
Section 32: All	

Township 32 North, Range 15 West. N.M.P.M., San Juan County, New Mexico

Section 12: All	Section 13: All
Section 24: All	Section 25: All
Section 36: All	

Township 32 North, Range 13½ West. N.M.P.M., La Plata County, Colorado

Section 1: All	Section 2: All
Section 3: All	Section 4: All (Lots 1, 2, 3, 4, E/2E/2)
Section 9: All (Lots 1, 2, 3, 4, E/2E/2)	
Section 10: All	Section 11: All
Section 12: All	Section 13: All
Section 14: All	Section 15: All
Section 16: All (Lots 1, 2, 3, 4, E/2E/2)	
Section 21: All (Lots 1, 2, 3, 4, E/2NE/2)	
Section 22: All (Lots 1, 2, 3, 4, N/2)	
Section 23: All (Lots 1, 2, 3, 4, N/2)	
Section 24: Lots 3, 4; NW/4	

Township 32 North, Range 14 West N.M.P.M., La Plata & Montezuma Counties, Colorado

Section 1: All (Lots 1, 2, 3, 4, S/2N/2, S/2)	
Section 2: All (Lots 1, 2, 3, 4, S/2N/2, S/2)	
Section 3: All (Lots 1, 2, 3, 4, S/2N/2, S/2)	
Section 10: All	Section 11: All
Section 12: All	Section 13: All
Section 14: All	Section 15: All
Section 22: All (Lots 1, 2, 3, 4, N/2)	
Section 23: All (Lots 1, 2, 3, 4, N/2)	
Section 24: All (Lots 1, 2, 3, 4, N/2)	

4. That in order to prevent the waste of oil and gas, as defined by law; to protect the correlative rights of all parties concerned; to prevent the drilling of unnecessary wells, to insure proper and efficient development and promote conservation of the oil and gas resources of the Ute Mountain Ute Tribe, an order should be made which establishes 160-acre drilling and spacing units for the Ismay Formation with the permitted well in each drilling and spacing unit to be located no closer than 330 feet to the outer boundary of the unit, 320-acre drilling and spacing units for the Desert Creek and Akah/Upper Barker Creek Formations consisting of the E/2 and the W/2 or the N/2 and the S/2 to be designated by the operator of the first well to be drilled with the permitted well in each drilling and spacing unit to be located no closer than 790 feet to the outer boundary of the unit, and 640-acre drilling and spacing units for the Lower Barker Creek/Alkali Gulch Formation with the permitted well in each drilling and spacing unit to be located not closer than 790 feet to the outer boundary of the unit for the lands described herein.

5. That the available geologic and engineering data presented indicates that one well will efficiently and economically drain the gas and associated hydrocarbons from an area of approximately 160 acres in the Ismay Formation, from an area of approximately 320 acres in the Desert Creek Formation and Akah/Upper Barker Creek Formation, and from an area of approximately 640 acres in the Lower Barker Creek/Alkali Gulch Formation. In addition, the drilling and spacing units described herein, with the exception of certain irregular sections, are not smaller than the maximum area that can be efficiently and economically drained by one well producing gas and associated hydrocarbon substances from the Ismay Formation, the Desert Creek Formation, the Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation.

6. That the below-listed wells be designated as the permitted wells for the proposed drilling and spacing units for the Ismay, Desert Creek, Akah/Upper Barker Creek, and Lower Barker Creek/Alkali Gulch Formations in both Colorado and New Mexico:

<u>Well</u>	<u>Location</u>	<u>Producing Formation</u>	<u>Spacing Unit</u>
Ute Com #1	1870' FNL, 1445' FWL Section 13-T32N-R13½W La Plata County, Colorado	Lower Barker Creek	Section 13-T32N-R13½W
Ute #2R	325' FSL, 1435' FWL Section 15-T32N-R13½W La Plata County, Colorado	Ismay Desert Creek	SW¼ Section 15-T32N-R13½W W½ Section 15 & all of Section 16-T32N-R13½W
Ute #2	3000' FSL, 710' FWL Section 15-T32N-R14W La Plata County, Colorado	Lower Barker Creek	Section 15-T32N-R13½W (All) Section 16-T32N-R13½W (All)
Ute #3	990' FSL, 990' FWL Section 14-T32N-R13½W La Plata County, Colorado	Lower Barker Creek	Section 14-T32N-R13½W (All)

Ute #5	990' FSL, 990' FWL Section 11-T32N-R13½W La Plata County, Colorado	Ismay  Desert Creek	SW¼ Section 11-T32N R13½W W½ Section 11-T32N- R13½W
Ute #9	990' FNL, 1076' FWL Section 21-T32N-R13½W La Plata County, Colorado	Lower Barker Creek	Section 21-T32N-R13½W & Section 22-T32N-R13½W
Ute #9A	2385' FNL, 955' FEL Section 21-T32N-R13½W La Plata County, Colorado	Ismay Desert Creek	<del>Section 21-T32N-R13½W,</del> Section 21-T32N-R13½ W & W1/2NW¼ & Lot 4 (37.89) of Section 22-T32N-R13½W & E½NE¼ & Lot 1 of Section 24-T32N-R14W
Ute #16	620' FSL, 1030' FEL Section 22-T32N-R13½W La Plata County, Colorado	Ismay	NE¼, Lots 1 & 2 of Section 22-T32N-R13½W
Ute #19	1890' FSL, 661' FWL (BHL) Section 24-T32N-R14W La Plata Co., Colorado	Ismay  Desert Creek	Lots 3, 4, & NW¼ (W½) of Section 24-T32N-R14W  NW¼, Lots 2, 3, 4, & W½NE¼ of Section 24- T32N-R14W.
Ute #11	2310' FNL, 2310' FWL Section 21-T32N-R14W San Juan County, New Mexico	Lower Barker Creek	Section 21-T32N-R14W (All)
Ute #12	2708' FNL, 1608' FWL Section 16-T32N-R14W San Juan County, New Mexico	Lower Barker Creek	Section 16-T32N-R14W (All) Section 9-T32N-R14W (All)
Ute #13	660' FNL, 1980' FEL Section 29-T-32N-14W San Juan County, New Mexico	Lower Barker Creek	Section 29-T32N-14W (All)
Ute #14	275' FNL, 1364' FEL Section 21-T32N-R14W San Juan County, New Mexico	Lower Barker Creek	Section 21-T32N14W (All)

Ute #4	540' FSL, 1980' FWL Section 10-T32N-R14W San Juan County, New Mexico	Ismay	Section 10-T32N-R14W (All)
Ute #6	1100' FSL, 1000' FWL Section 17-T32N-14W San Juan County, New Mexico	Desert Creek Upper Barker Creek	S½ Section 17-T32N-R14W
Ute #8	1363' FNL, 42.3' FEL (BHL) Section 16-T32N., R14W San Juan County, New Mexico	Ismay	NE¼ Section 16-T32N-R14W
Ute # 24	1595' FNL, 1258' FWL Section 20-T32N-R14W San Juan County, New Mexico	Desert Creek	W½ Section 20-T32N-R14W

The Aztec Ute #1 well located 660' FNL and 660' FWL of section 4-T32N-R13½, La Plata County, Colorado is specifically exempt from the well spacing established herein. This well is temporarily abandoned with limited reserves and resides on the extreme northern portion of the field. However, should this well, at some future time, be recompleted in any of the other pools established by this order, the provision established herein will be in force and effect.

The operator should be granted permission to continue commingling production from the Ute #2R Well from the Ismay and Desert Creek Formations; from the Ute #5 Well from the Ismay and Desert Creek Formations; from the Ute #9A Well from the Ismay and Desert Creek Formations; and from the Ute #19 Well from the Ismay and Desert Creek Formations. The ownership of minerals and the oil and gas leasehold estate of the proposed spacing units for the separate sources of supply from those wells is the same, and correlative rights will not be affected by allowing those wells to be produced from the separate sources of supply and for the production to be commingled.

7. The Authorized Officer (AO), after formal notice from the operator, may grant exceptions to the permitted well locations as described in Finding 4 herein to avoid topographical, surface hazards, and/or archeological sites, among other reasons. These exceptions may be granted provided that the owners of contiguous and cornering units toward which the proposed locations would be moved, file a waiver or consent, in writing, agreeing to said exception.

8. Because several of the irregular units described below are larger than the optimum drainage units described in Finding 5 herein, an additional well may be permitted by the AO after formal notification from the operator and after the owners of contiguous and cornering spacing units which the proposed infill locations would be located, file a waiver or consent, in writing, agreeing to said location. The option to drill additional wells will afford the operator an opportunity to produce, without waste, his just and equitable share from each reservoir and to protect correlative rights.

9. That the following specific drilling and spacing units be established for the irregular sections present in the area and that specific setbacks be approved for the permitted well locations



drilled in the irregular sections provided that the owners of contiguous and cornering units toward which the proposed locations would be moved, file a waiver or consent, in writing, agreeing to said exception as in Finding 7 above:

Ismay Formation - Approximate 160-acre drilling and spacing unit dedications

<u>Township 32 North, Range 13½ West, La Plata County, Colorado</u>	<u>Acreage</u>
1. Section 4: Lots 1 (8.98), 2 (8.97), 3 (8.97), 4 (8.96), E/2E/2 (All)	195.88
2. Section 9: Lots 1 (8.94), 2 (8.94), 3 (8.94), 4 (8.94), E/2E/2 (All)	195.76
3. Section 16: Lots 1 (8.94), 2 (8.93), 3 (8.92), 4 (8.91), E/2E/2 (All)	195.70
4. Section 21: Lots 1 (8.90), 2 (8.88), 3 (38.07), 4 (8.45), E/2NE/4 (All)	144.30
5. Section 22: Lots 3 (37.70), 4 (37.89), NW/4 (W/2)	235.59
6. Section 22: Lots 1 (37.43), 2 (37.55), NE/4 (E/2)	235.98
7. Section 23: Lots 3 (37.52), 4 (37.47), NW/4 (W/2)	234.99
8. Section 23: Lots 1 (37.74), 2 (37.63), NE/4 (E/2)	235.37
9. Section 24: Lots 3 (37.67), 4 (37.71), NW/4 (W/2)	235.38
<i>Sec 24 1 2 NE 1/2</i>	

<u>Township 32 North, Range 14 West, La Plata County, Colorado</u>	
10. Section 22: Lots 3 (39.59), 4 (39.69), NW/4 (W/2)	239.28
11. Section 22: Lots 1 (39.69), 2 (39.59), NE/4 (E/2)	238.88
12. Section 23: Lots 3 (39.14), 4 (39.27), NW/4 (W/2)	238.41
13. Section 23: Lots 1 (38.87), 2 (39.00), NE/4 (E/2)	237.87
14. Section 24: Lots 3 (38.69), 4 (38.76), NW/4 (W/2)	237.45
15. Section 24: Lots 1 (38.54), 2 (38.61), NE/4 (E/2)	237.15

\*Township 32 North, Range 14 West, San Juan County, New Mexico\*

16. Section 7: All (209.00)	209.00
17. Section 8: All (207.00)	207.00
18. Section 9: All (205.00)	205.00
19. Section 10: All (204.00)	204.00
20. Section 11: All (202.00)	202.00

\*Township 32 North, Range 15 West, San Juan County, New Mexico\*

21. Section 12: All (211.00)	211.00
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\*Note\*-Acreage based upon preliminary protraction and subject to revision.

Desert Creek and Akah/Upper Barker Creek Formations - Approximate 320-acre drilling and spacing unit dedications

	<u>Acreage</u>
1. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 4: Lots 1 (8.96), 2 (8.97), 3 (8.97), 4 (8.98), E/2E/2 Section 3: W/2 (320.00)	195.88 <u>320.00</u> <u>515.88</u>
2. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 9: Lots 1 (8.94), 2 (8.94), 3 (8.94), 4 (8.94), E/2E/2 Section 10: W/2 (320.00)	195.76 <u>320.00</u> <u>515.76</u>
3. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 16: Lots 1 (8.91), 2 (8.92), 3 (8.93), 4 (8.94), E/2E/2 Section 15: W/2 (320.00)	195.70 <u>320.00</u> <u>515.70</u>
4. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 21: Lots 1 (8.90), 2 (8.88), 3 (38.07), 4 (8.45), E/2NE/4 Section 22: W1/2NW & lot 4(37.89)	144.30 117.89
<u>Township 32 North, Range 14W, N.M.P.M., La Plata Co., Colorado</u> Section 24: E1/2NE1/4 & lot 1(38.54)	<u>118.54</u> <u>380.73</u>
5. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 22: NE¼, Lots 1 (37.43), 2 (37.55) & 3 (37.70), E1/2NW1/4	<u>352.68</u>
6. <u>Township 32 North, Range 13 1/2 West, N.M.P.M., La Plata County, Colorado</u> Section 23: NW/4, Lots 2 (37.63), 3 (37.52) & 4 (37.47), W1/2NE/4	<u>352.62</u>
7. <u>Township 32 North, Range 13 1/2 West, N.M.P.M., La Plata County, Colorado</u> Section 23: Lots 1 (37.74) & E1/2NE/4 Section 24: Lots 3(37.67), lot 4(37.71), & NW/4	117.74 <u>235.38</u> <u>353.12</u>
8. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 24: NW/4, Lot 2 (38.61), 3 (38.69), 4 (38.76), & W/2NE/4	<u>356.06</u>

9.	<u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 23: NE/4, Lots 1 (38.87), 2 (39.00), 3(39.14), & E1/2NW/4	<u>357.01</u>
10.	<u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 22: Lots 1(39.39), 2(39.49), & NE/4 Section 23: Lot 4(39.27) & W1/2NW/4	238.88 <u>119.27</u> <u>358.15</u>
11.	<u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 22: Lots 3 (39.59), 4(39.69), & NW¼	<u>239.28</u>
12.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 7: All Section 18: N½	209.00 <u>320.00</u> <u>529.00</u>
13.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>  Section 8: (All) Section 17: N½	  207.00 <u>320.00</u> <u>527.00</u>
14.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 9: (All) Section 16: N½	205.00 <u>320.00</u> <u>525.00</u>
15.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 10: (All) Section 15: N½	204.00 <u>320.00</u> <u>524.00</u>
16.	<u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 11: (All) Section 14: N½	202.00 <u>320.00</u> <u>522.00</u>
17.	<u>*Township 32 North, Range 15 West, N.M.P.M., San Juan County, New Mexico*</u> Section 12 (All) Section 13 N½	211.00 <u>320.00</u> <u>531.00</u>

\*Note\*-Acreage based upon preliminary protraction and subject to revision.

Lower Barker Creek/Alkali Gulch Formation - Approximate 640-acre drilling and spacing unit dedications

	<u>Acreage</u>
1. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 4: Lots 1 (8.96), 2 (8.97), 3 (8.97), 4 (8.98), E/2E/2 (All) Section 3: All	195.88 <u>640.00</u> <u>835.88</u>
2. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 9: Lots 1 (8.94), 2 (8.94), 3 (8.94), 4 (8.94), E/2E/2 (All) Section 10: All	195.76 <u>640.00</u> <u>835.76</u>
3. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 16: Lots 1 (8.91), 2 (8.92), 3 (8.93), 4 (8.94), E/2E/2 (All) Section 15: All	195.70 <u>640.00</u> <u>835.70</u>
4. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 21: Lots 1 (8.90), 2 (8.88), 3 (38.07), 4 (8.45), E/2NE/4 (All) Section 22: Lots 1 (37.43), 2 (37.55), 3 (37.70), 4 (37.89), N/2 (All)	144.30 <u>470.57</u> <u>614.87</u>
5. <u>Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado</u> Section 23: Lots 1 (37.74), 2 (37.63), 3 (37.52), 4 (37.47), N/2 (All) Section 24: NW/4, Lots 3 (37.67), 4 (37.71)	470.36 <u>235.38</u> <u>705.74</u>
6. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 22: Lots 1 (39.99), 2 (39.49), 3 (39.59), 4 (39.69), N/2 (All) Section 23: Lots 3 (39.14), 4(39.27), & NW¼ (160.00)	478.16 <u>238.41</u> <u>716.57</u>
7. <u>Township 32 North, Range 14 West, N.M.P.M., La Plata County, Colorado</u> Section 23: Lots 1 (38.87), 2 (39.00), NE¼ Section 24: Lots 1 (38.54), 2 (38.51), 3 (38.69), 4 (38.76), N/2 (All)	237.87 <u>474.60</u> <u>712.47</u>
8. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u> Section 7 (All) Section 18 (All)	209.00 <u>640.00</u> <u>849.00</u>

9. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>		
Section 8 (All)		207.00
Section 17 (All)		<u>640.00</u>
		<u>847.00</u>
10. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>		
Section 9 (All)		205.00
Section 16 (All)		<u>640.00</u>
		<u>845.00</u>
11. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>		
Section 10 (All)		204.00
Section 15 (All)		<u>640.00</u>
		<u>844.00</u>
12. <u>*Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico*</u>		
Section 11 (All)		202.00
Section 14 (All)		<u>640.00</u>
		<u>842.00</u>
13. <u>*Township 32 North, Range 15 West, N.M.P.M., San Juan County, New Mexico*</u>		
Section 12 (All)		211.00
Section 13 (All)		<u>640.00</u>
		<u>851.00</u>

\*Note\*-Acreage based upon preliminary protraction and subject to revision.

### ORDER

It is therefore ordered that 160-acre drilling and spacing units be established for the Ismay Formation with the permitted well in each drilling and spacing unit to be located no closer than 330 feet to the outer boundary of the unit. Additionally, 320-acre drilling and spacing units be established for the Desert Creek and Akah/Upper Barker Creek Formations consisting of the E/2 and the W/2 or the N/2 and the S/2 to be designated by the operator of the first well to be drilled with the permitted well in each drilling and spacing unit to be located no closer than 790 feet to the outer boundary of the unit. Furthermore, 640-acre drilling and spacing units be established for the Lower Barker Creek/Alkali Gulch Formation with the permitted well in each drilling and spacing unit to be located not closer than 790 feet to the outer boundary of the unit for the below-described lands:

Township 32 North, Range 14 West, N.M.P.M., San Juan County, New Mexico

Section 7: All	Section 8: All
Section 9: All	Section 10: All
Section 11: All	Section 14: All
Section 15: All	Section 16: All
Section 17: All	Section 18: All
Section 19: All	Section 20: All
Section 21: All	Section 22: All
Section 23: All	Section 27: NW/4
Section 28: All	Section 29: All
Section 30: All	Section 31: All
Section 32: All	

Township 32 North, Range 15 West, N.M.P.M., San Juan County, New Mexico

Section 12: All	Section 13: All
Section 24: All	Section 25: All
Section 36: All	

Township 32 North, Range 13½ West, N.M.P.M., La Plata County, Colorado

Section 1: All  
Section 2: All  
Section 3: All  
Section 4: All (Lots 1, 2, 3, 4, E/2E/2)  
Section 9: All (Lots 1, 2, 3, 4, E/2E/2)  
Section 10: All  
Section 11: All  
Section 12: All  
Section 13: All  
Section 14: All  
Section 15: All  
Section 16: All (Lots 1, 2, 3, 4, E/2E/2)  
Section 21: All (Lots 1, 2, 3, 4, E/2NE/2)  
Section 22: All (Lots 1, 2, 3, 4, N/2)  
Section 23: All (Lots 1, 2, 3, 4, N/2)  
Section 24: NW/4, Lots 3&4

Township 32 North, Range 14 West N.M.P.M., La Plata & Montezuma Counties, Colorado

Section 1: All (Lots 1, 2, 3, 4, S/2N/2, S/2)  
Section 2: All (Lots 1, 2, 3, 4, S/2N/2, S/2)  
Section 3: All (Lots 1, 2, 3, 4, S/2N/2, S/2)

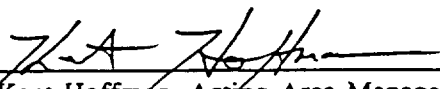
Section 10: All  
Section 11: All  
Section 12: All  
Section 13: All  
Section 14: All  
Section 15: All  
Section 22: All (Lots 1, 2, 3, 4, N/2)  
Section 23: All (Lots 1, 2, 3, 4, N/2)  
Section 24: All (Lots 1, 2, 3, 4, N/2)

It is further ordered that the existing wells described under Finding no. 6 above be approved as the permitted wells for the designated spacing units with existing commingling of production between the specified zones. Also, that exceptions locations be granted in accordance with the provisions outlined in Finding no. 7 to avoid topographical, archeological, surface hazards, or other factors. Because several of the irregular units described are larger than the optimum drainage units described in Finding no. 5 herein, an additional well may be permitted by the AO after formal notification from the operator and after the owners of contiguous and cornering spacing units which the proposed infill locations would be located, file a waiver or consent, in writing, agreeing to said location. It is also ordered that irregular spacing units described under Finding no. 9 above with special setback provisions be approved contingent upon due notice being given to offsetting operators and that the necessary waivers or consent, in writing, agreeing to said setbacks are filed with the AO.

Jurisdiction is hereby retained for the entry of such further orders as the BLM may deem necessary. The BLM reserves its right to alter, amend or repeal any and/or all of the above orders.

Ordered this 9 day of JUNE, 1995., effective as of March 20, 1995.

BUREAU OF LAND MANAGEMENT  
SAN JUAN RESOURCE AREA

By   
Kent Hoffman, Acting Area Manager



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

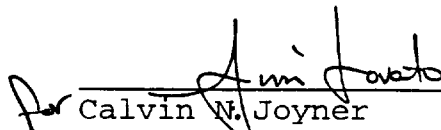
San Juan Resource Area  
Federal Building  
701 Camino Del Rio  
Durango, Colorado 81301



### **Addendum to BLM Order No. UMU-1**

This addendum to BLM Order No. UMU-1 amends the nomenclature used to identify the specific formation spacing addressed in the order. Currently the order is written using the standard formation names used throughout the Paradox Basin, and identifies the Ismay Formation, Desert Creek Formation, Akah/Upper Barker Creek Formation, and the Lower Barker Creek/Alkali Gulch Formation. The BLM hereby amends the UMU-1 spacing order to reflect the gas pool that each formation is associated with. The above formations will be hereafter referenced as the Barker Dome Ismay Formation, Barker Dome Desert Creek Formation, Barker Dome Akah/Upper Barker Creek Formation, Barker Dome Lower Barker Creek/Alkali Gulch Formation.

Amended this 10<sup>th</sup> day of October, 1996.

  
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Calvin W. Joyner  
Area Manager