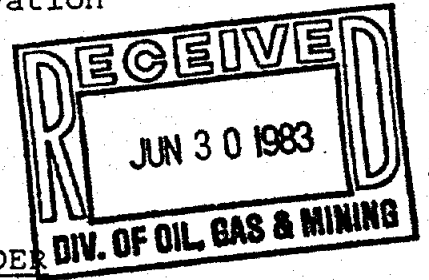


Before the Board of Oil and Gas Conservation
Department of Natural Resources
In and For the State of Utah



IN THE MATTER OF THE APPLICATION
OF MOUNTAIN FUEL SUPPLY COMPANY
FOR AUTHORITY TO DEVELOP, TEST,
AND OPERATE AN UNDERGROUND NATURAL
GAS STORAGE RESERVOIR UNDERLYING
PORTIONS OF SECTIONS 4, 9, 10, 15,
AND 16 OF TOWNSHIP 2 NORTH, RANGE
5, EAST, SLM, SUMMIT COUNTY, UTAH

CAUSE NO. 148-1

*Certified true copy pages 1-5
Alanna Hunt
6-30-83*

Pursuant to the Application of Mountain Fuel Supply Company,
this cause came on for hearing before the Board of Oil and Gas
Conservation, Department of Natural Resources of the State of Utah,
at 10:00 a.m., on Wednesday, March 14, 1973, in the Governor's
Board Room, Second Floor, State Capitol Building, Salt Lake City,
Utah. The following Board members were present:

- Guy N. Cardon, Chairman, Presiding
- Robert R. Norman
- Charles R. Henderson
- James P. Cowley.

Also present:

- Cleon B. Feight, Esq., Director, Division of Oil and Gas Conservation
- Paul W. Burchell, Chief Petroleum Engineer, Division of Oil and Gas Conservation
- Paul E. Reimann, Esq., Special Assistant Attorney General
- Gerald R. Daniels, District Engineer, United States Geological Survey.

Appearances were made as follows:

- For the Applicant: John F. Bates, Esq.
Salt Lake City, Utah
- For Weber Coal Company: E. L. Osika and Jack Crawford.

NOW, THEREFORE, the Board, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS

1. Due and regular notice of the time, place, and purpose of the hearing was given to all interested parties as required by law and the Rules and Regulations of the Board.

Entry No.	208274
REQUEST OF	<i>Celcius Energy Company</i>
FEE	ALAN SPRIGGS, SUMMIT CO. RECORDER
\$ 15.50	By <i>Susan Roberts</i>
RECORDED	JUL 13 1983 at 10:20 M

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2. The Board has jurisdiction over the matter covered by said Application and over all parties interested therein, and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. There were no parties appearing in opposition to the application.

4. The Applicant is engaged in the business of exploring for and producing natural gas throughout the intermountain area, of transporting natural gas produced from its own wells and purchased from other producers and other natural gas pipelines to its distribution areas, and of distributing natural gas to ultimate consumers in northern Utah and southwestern Wyoming.

5. With the increase in the number of firm gas customers in its distribution area, and the developing natural gas shortage, Applicant is being required to rely, to an ever increasing extent, on natural gas storage to be able to meet its firm service requirements during periods of peak demand.

6. Applicant proposes to develop, test, and operate a natural gas storage reservoir in the Long Wall sandstone member of the Frontier formation, found at a depth of between approximately 2370-2435 feet in the J. H. Wilde #1 Well (319' FEL and 2399' FSL, Section 9, T.2N., R.5E., SLBM). The body of said reservoir is projected to underlie those portions of Sections 4, 9, 10, 15, and 16, Township 2 North, Range 5 East, SLBM, more particularly described as follows:

Section 4: SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Section 9: E $\frac{1}{2}$; E $\frac{1}{2}$ SW $\frac{1}{4}$; E $\frac{1}{2}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$;
SW $\frac{1}{4}$ SE $\frac{1}{4}$ NW $\frac{1}{4}$;
Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$; W $\frac{1}{2}$ NE $\frac{1}{4}$ SW $\frac{1}{4}$;
W $\frac{1}{2}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$;
Section 15: NW $\frac{1}{4}$ NE $\frac{1}{4}$ NW $\frac{1}{4}$; N $\frac{1}{2}$ NW $\frac{1}{4}$ NW $\frac{1}{4}$;
Section 16: E $\frac{1}{2}$ NW $\frac{1}{4}$; W $\frac{1}{2}$ NE $\frac{1}{4}$; NE $\frac{1}{4}$ NE $\frac{1}{4}$;
NW $\frac{1}{4}$ SE $\frac{1}{4}$ NE $\frac{1}{4}$.

7. Because of its location relative to Applicant's main distribution centers, this proposed natural gas storage reservoir could play a very significant part in Applicant's future ability to adequately serve its certificated area.

8. To facilitate development, testing, and operation of this reservoir, Applicant has re-entered the above described

J. H. Wilde #1 Well and proposes to drill such other wells within the reservoir area as may, from time to time, appear to the Applicant to be desirable and/or necessary for the proper injection and withdrawal of natural gas and for proper reservoir control. The number and location of such wells has not yet been determined, although one new well, to be drilled upon the structural axis of the storage formation, is being planned.

9. The imposition of normal spacing requirements for the above described additional wells is unnecessary, and would be detrimental to the proper development and utilization of the proposed gas storage field.

10. Initial tests by the Applicant indicate that the proposed storage is a sealed reservoir, and that no leakage of gas has occurred therefrom through either the caprock or any fault zone.

11. There is sufficient overburden to permit the safe operation of the storage project at the pressures at which it will be operated, and these pressures cannot be reasonably anticipated to have any effect on the natural seismology of the area.

12. The development and operation of this natural gas storage project can be carried out without adversely affecting the development of and continued surface use of the area, and without any other serious adverse impact on the area.

13. The successful development and operation of this proposed natural gas storage project will assist in the conservation of natural gas.

14. The successful development and operation of this proposed natural gas storage reservoir is necessary and in the public interest.

15. There do not appear to be any workable coal beds between the surface of the ground and the proposed storage formation within the fault block here in question.

ORDER

IT IS, THEREFORE, ORDERED:

1. That Mountain Fuel Supply Company be, and is herewith, authorized to commence and continue with its development and, if successful, the subsequent operation of the gas storage area outlined in its application.

2. That Mountain Fuel be, and is herewith, authorized to re-enter any existing wells in the area and to drill such new wells as it might deem appropriate and necessary for the full development and utilization of the underground reservoir, without regard to any spacing requirements.

3. That no person, association, corporation, or other party or parties, shall be allowed to drill any wells or re-enter any existing wells in the area which might penetrate the proposed storage reservoir without taking adequate precautions for the protection of the integrity of the proposed gas storage reservoir.

4. That Mountain Fuel shall take adequate steps to monitor existing wells in the area and any and all fault lines transversing the area, for evidence of natural gas leakage from the proposed reservoir.

5. That Mountain Fuel take such steps as might be necessary to protect any and all workable coal beds and/or fresh water zones encountered in any drilling of new wells or re-entry of existing wells from the leakage into any such workable coal bed or fresh water zone of natural gas or salt or brackish water from any other zone penetrated by such well or wells.

6. That Mountain Fuel submit to this Board semi-annual reports stating the results of its leak monitoring activities, the amount of gas injected into and withdrawn from the proposed gas storage area, and the pressures in the reservoir during the reporting period.

7. That this Order shall remain in full force and effect until further order of this Board.

MADE AND ENTERED this 25th day of April

1973.

BOARD OF OIL AND GAS CONSERVATION

Guy N. Cardon

GUY N. CARDON
Chairman

Robert R. Norman

ROBERT R. NORMAN
Board Member

Charles R. Henderson

CHARLES R. HENDERSON
Board Member

JAMES P. COWLEY
Board Member

