

COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF MINES AND MINERAL INDUSTRIES
OIL AND GAS CONSERVATION COMMISSION

IN THE MATTER OF THE APPLICATION)
OF)
THE PEOPLES NATURAL GAS COMPANY)
FOR A SPACING ORDER IN THE)
BLAIRSVILLE POOL, DERRY TOWNSHIP,)
WESTMORELAND COUNTY, AND)
BLACK LICK AND BURRELL TOWNSHIPS,)
INDIANA COUNTY, PENNSYLVANIA.)

SPACING ORDER
DOCKET NO. 4

APPEARANCES

William A. Jones, Attorney, Frank Edris Wyman, Technician, George O. Scott, Chief Geologist, Paul G. Freund, Geologist and Engineer, on behalf of The Peoples Natural Gas Company.

J. B. Hurley, on behalf of Devonian Gas and Oil Company.

John L. Wilson and Rolland L. Ehrman, Attorneys, on behalf of T. W. Phillips Gas and Oil Company.

HISTORY OF THE CASE

1. August 21, 1963, an application for a Spacing Order covering the Blairsville Gas Pool, Derry Township, Westmoreland County, and Blacklick and Burrell Townships, Indiana County, was filed by The Peoples Natural Gas Company of Pittsburgh, Pennsylvania, in the Pittsburgh Office of the Oil and Gas Conservation Commission, Department of Mines and Mineral Industries.

HISTORY OF THE CASE

2. August 26, 1963, notices of a hearing to be held in Conference Room No. 1, 14th Floor, State Office Building, Pittsburgh, Pennsylvania, on Tuesday, September 17, 1963, at 10:00 A. M., Daylight Savings Time, were sent by registered mail to interested parties known to the Commission.
3. August 29, 1963, notification of said hearing was published in the Greensburg Tribune Review, Greensburg, Westmoreland County, Pennsylvania, and in the Indiana Evening Gazette, Indiana, Indiana County, Pennsylvania, daily newspapers in the respective counties.
4. September 5, 1963, a second notice was published in the Greensburg Tribune Review announcing the time and place of the hearing.
5. September 6, 1963, a second notice was published in the Indiana Evening Gazette announcing the time and place of the hearing.
6. September 17, 1963, the hearing was held in Conference Room No. 1, Fourteenth Floor, State Office Building, Pittsburgh, Pennsylvania.
7. October 11, 1963, the Oil and Gas Conservation Commission met for the purpose of considering the testimony taken at the hearing and a decision regarding the application for the Spacing Order was made.

QUESTIONS AT ISSUE

1. Is a Spacing Order necessary under all the circumstances?
2. If a Spacing Order is necessary, what should be its terms and conditions?

FINDINGS OF FACT

1. The Peoples Natural Gas Company drilled the discovery well, known as the J. M. Kahl Well No. 1, pursuant to Drilling Permit No. WES-322, and established the existence of a gas pool in the Onondaga Chert-Oriskany formations known as the Blairsville Gas Pool.
2. This discovery well was completed on October 23, 1962, to a depth of 7,730 feet, having penetrated the top of the Onondaga Chert at a depth of 7,550 feet, and the top of the Oriskany at a depth of 7,695 feet, with initial open flow production, after fracture, of 6,000 MCF of gas per day.
3. The discovery well is located on a voluntary unit designated as the Himler Unit comprising 564 acres, more or less, of land.
4. The pool was developed by the drilling of the wells shown in the following table, which includes the discovery well hereinabove described and the two unsuccessful wells tending to describe the limits of the pool. The names of certain operators are listed in short form: for The Peoples Natural Gas Company, Peoples; for T. W. Phillips Gas and Oil Company, Phillips; and, for Devonian Gas and Oil Company, Devonian.

(SEE TABLE)

<u>PERMIT NO.</u>	<u>DATE OF COMPLETION</u>	<u>OPERATOR & LEASE NAME</u>	<u>ACREAGE</u>	<u>UNIT NAME</u>	<u>ACREAGE</u>	<u>INITIAL OPEN FLOW AFTER FRACTURE</u> (MCF)
✓ WFS-322	10-23-62	Peoples' Joseph M. Kahl		Himler Unit	564	6,000
✓ WFS-336	12-31-62	Peoples' Matthew Dale		Dale Unit	618	6,000
WFS-334	1-22-63	Phillips' Leroy Piper	180	NONE		Dry
WFS-337	2-18-63	Phillips' Edward A. Devers	78	NONE		2,932
✓ WFS-344	3-27-63	Devonian's & Peoples' Frank Litvik		Litvik	580	4,000
WFS-345	3-27-63	Phillips' John R. Cline	164	NONE		Dry
WFS-359	5-29-63	Phillips' Garvin K. Piper	39	NONE		829
✓ WFS-357	6-30-63	Peoples' & James Drilling Co. Rose E. White		White Unit	407 (584 Proposed (if U.S.A. Leases (obtained	4,500
WFS-370	8-13-63	Phillips' Lloyd P. Stitt	47	NONE		789
✓ WFS-372	9-4-63	Peoples' & Devonian's J. W. Jellison		Ressler Unit	636	2,000

5. Of the eight (8) productive wells drilled in the pool, The Peoples Natural Gas Company and its associates drilled five (5) wells on units containing 564 acres, 618 acres, 580 acres, 407 acres and 636 acres, respectively; and T. W. Phillips Gas and Oil Company drilled three (3) wells on leases not shown to be included in any unit containing 78 acres, 39 acres and 47 acres, respectively.
6. The total estimated recoverable reserve in the Onondaga Chert and Oriskany horizons in the Blairsville Pool is sixteen and four-tenths (16.4) billion cubic feet of gas.
7. Other than the requirement under the law that each well be located at least 330 feet from the nearest lease or unit boundary line, the Oil and Gas Conservation Commission has had no jurisdiction over the spacing of wells in the Blairsville Pool until August 21, 1963, when the application for a spacing order was filed.
8. All the testimony indicates that minimum units should be established, and that distance between wells should not be less than 2,800 feet.
9. The existing physical facts, topography, general conditions of lease distribution and the spacing of wells already drilled, indicate that no well should be drilled closer than Six Hundred Sixty (660) feet from the nearest unit boundary line.
10. The area of Six Thousand Four Hundred (6,400) acres, more or less, delineated on the "MAP EXHIBIT TO SPACING ORDER NO. 4 OF OIL AND GAS CONSERVATION COMMISSION FOR BLAIRSVILLE POOL, WESTMORELAND AND INDIANA COUNTIES, PENNSYLVANIA," includes the area from which production is obtained from the Onondaga Chert and Oriskany horizons in the Blairsville Pool.

CONCLUSIONS OF LAW

1. A Spacing Order is deemed to be necessary.
2. Limitations are necessary and are stated in the Order which follows.


ORDER

Inasmuch as development of the Blairsville Pool has progressed to such a degree as to rule out virtually all practical solutions with respect to the present productive part of the pool, accordingly, the Commission does order that:

1. The area included in and covered by this Spacing Order for the Blairsville Gas Pool in the Onondaga Chert and Oriskany horizons, in Derry Township, Westmoreland County, and Black Lick and Burrell Townships, Indiana County, Pennsylvania, shall be the area containing Six Thousand Four Hundred (6,400) acres, more or less, outlined in black on the "MAP EXHIBIT TO SPACING ORDER NO. 4 OF OIL AND GAS CONSERVATION COMMISSION FOR BLAIRSVILLE POOL, WESTMORELAND AND INDIANA COUNTIES, PENNSYLVANIA," which said map is hereby incorporated into, made a part of this order, and will be kept in the records at the offices of the Oil and Gas Conservation Commission, 1708 Benedum Trees Building, 223 Fourth Avenue, Pittsburgh, Pennsylvania.
2. Each well within the area designated under this Spacing Order shall be located on a drilling unit of not less than Four Hundred (400) contiguous acres.
3. Within the area designated under this Spacing Order wells shall not be located less than Three Thousand (3,000) feet from other wells producing gas, or drilling for the production of gas, from the Onondaga Chert or Oriskany horizons in the Blairsville Gas Pool.

4. No well within the area designated under this Spacing Order shall be drilled closer than Six Hundred Sixty (660) feet from the nearest unit boundary line.

BY THE COMMISSION


D. Roy Cinsel
Chairman

Robert J. Hartman
Secretary

Dated: October 21, 1963