

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

IN THE MATTER OF THE APPLICATION OF)
FELMONT OIL CORPORATION AND)
CONSOLIDATED GAS SUPPLY CORPORATION)
FOR A SPACING ORDER, ESTABLISHMENT)
OF DRILLING UNITS, AND INTEGRATION)
OF INTERESTS WITHIN SUCH UNITS IN)
THE PINETON ORISKANY GAS POOL, PINE)
AND GREEN TOWNSHIPS, INDIANA COUNTY,)
AND BARR AND SUSQUEHANNA TOWNSHIPS)
CAMBRIA COUNTY, PENNSYLVANIA)

SPACING ORDER
DOCKET NO. 10

SPACING ORDER NO. 10

APPEARANCES

At the Hearing held March 4, 1970, Leroy F. Perry, Esquire, on behalf of Consolidated Gas Supply Corporation and Felmont Oil Corporation; Harvey A. Miller, Jr., Esquire, on behalf of A. F. Carino.

HISTORY OF THE CASE

1. February 11, 1970, an application was filed in the office of the Oil and Gas Conservation Commission, Department of Mines and Mineral Industries, by Felmont Oil Corporation, Olean, N. Y., and Consolidated Gas Supply Corporation, Clarksburg, W. Va., for a spacing order, approval of drilling units, and integration of the royalty interests within such units in the Pineton Oriskany Gas Pool, Pine and Green Townships, Indiana County, and Barr and Susquehanna Townships, Cambria County, Pennsylvania. The application states that on or about December 12, 1969, Felmont Oil Corporation, as operator, along with Consolidated Gas Supply Corporation, T. W. Phillips Gas and Oil Company, and the Sylvania

Corporation, as co-owners, completed the Richard Hanwell, Jr., well in Green Township, Indiana County, Pennsylvania, which is said to be the discovery well of the Pineton Oriskany Gas Pool. The area proposed to be spaced is outlined on the map submitted with the Application, which is marked "Exhibit A," nineteen (19) proposed drilling units, numbered 1 to 19, inclusive, also having been outlined within the area.

2. February 13, 1970, notification dated February 11, 1970, was sent by certified mail to those parties known to be interested in the area proposed to be spaced, and by regular mail to those others who had indicated to the Commission that they wished to be notified of any hearings that may affect lands in the area that a Hearing would be held March 4, 1970, at 1:30 P. M., Eastern Standard Time, in the Public Utility Commission Hearing Room, State Office Building, Pittsburgh, Pennsylvania. Said notification was also published February 14, 1970, and February 21, 1970, in the Johnstown Tribune Democrat and in the Indiana Evening Gazette, daily newspapers in general circulation in Cambria County and Indiana County, respectively. The first notification sent by mail as described above and that published February 14, 1970, also gave notice of the cancellation of the Hearing covering Spacing Order Docket No. 9, application for which was withdrawn.
3. March 4, 1970, the Hearing was held at the time and in the place designated in the said notification, and the Commission heard testimony of William H. Young, Vice President, Felmont Oil Corporation; Robert E. Bayles, Chief Geologist, Consolidated Gas Supply Corporation; and John W. Hendrickson, Assistant Vice President, Consolidated Gas Supply Corporation.
4. March 20, 1970, the Commission met for the purpose of considering the testimony and reached a decision.

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 testimony indicates that Felmont Oil Corporation is the operator of the Richard Hanwell, Jr., Well, Green Township, Indiana County, Pennsylvania, and that Consolidated Gas Supply Corporation, T. W. Phillips Gas and Oil Company, and the Sylvania Corporation are co-owners in the well completed on or about December 12, 1969, at a depth of 8,199 feet, with an original open flow, before any stimulation, of 38,000 cubic feet per day, which increased, after fracture, to 6,150,000 cubic feet per day. The rock pressure was 4,261 pounds, after having been shut in for 13 days. The discovery of gas in this well has established the existence of an Oriskany Gas pool at the location at the depth described, said pool having been called the Pineton Oriskany Gas Pool, and being so referred to herein.
2. The testimony, the topography, and existing physical facts indicate that the area requested to be made subject to spacing order control is the area underlain by a part of the Pineton Oriskany Gas Pool and includes lands reasonably expected to be proven to be underlain by other parts of said pool. Accordingly, the area subject to spacing order control should be, and by this order is, the area bounded by the outside, or exposed, limits of the outside units proposed in the Application, being delineated on the map exhibit filed with the said Application, comprising 6,284.6 acres, situate in Pine and Green Townships, Indiana County, and Barr and Susquehanna Townships, Cambria County, Pennsylvania, said map having been marked, "MAP EXHIBIT

TO SPACING ORDER NO. 10, ENTERED MARCH 20, 1970, OF THE OIL AND GAS CONSERVATION COMMISSION FOR HUNTERSVILLE CHERT AND ORISKANY SANDSTONE PRODUCTION OF GAS FROM THE PINETON POOL, INDIANA AND CAMBRIA COUNTIES, PENNSYLVANIA."

3. The existing physical facts, the topography, the testimony, and general conditions in the area indicate that the Commission should accept the proposal of the Applicants that nineteen (19) drilling units be approved, as described on the map exhibit filed with the Application, now made the MAP EXHIBIT to this Order, and that such approval will result in the orderly development of the pool and will protect the correlative rights of the operators and royalty owners involved. Said drilling units are by this order established and approved, being as follows:

Unit No. 1	-	Measuring	2,800	feet	by	5,000	feet	-	321.4	acres
Unit No. 2	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 3	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 4	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 5	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 6	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 7	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 8	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 9	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 10	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 11	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 12	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 13	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 14	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 15	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 16	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 17	-	"	2,800	"	"	5,000	"	-	321.4	acres
Unit No. 18	-	"	3,200	"	"	5,000	"	by		
			3,400	"	"	5,000	"	-	395.2	acres
Unit No. 19	-	"	3,400	"	"	5,000	"	by		
			3,600	"	"	5,000	"	-	425.6	acres

4. The existing physical facts, the testimony, the topography, and the general conditions in the area indicate that no well should be drilled for the production of gas from the Huntersville Chert or Oriskany Sandstone within the area spaced by this order closer than two thousand (2,000) feet from any other well drilled or drilling for gas from the said horizons, that not more than one well should be drilled on any one unit within the area, and that no well should be drilled closer than one thousand (1,000) feet from any unit line.

5. The royalty interests in the drilling units established by this order should be integrated in accordance with Section 8 (a) of the Oil and Gas Conservation Law.
6. The existing physical facts, the topography, and general conditions in the area indicate that in the event any of the units approved by this order shall not have been drilled before five (5) years from the date of this order, any such unit on which no well shall have been drilled should be released from spacing order control.

CONCLUSIONS OF LAW

1. A spacing order is necessary under all the circumstances.
2. The establishment of drilling units is necessary for the protection of correlative rights of the parties involved.
3. Limitations are necessary and are so described in the following order.

ORDER

Accordingly, the Commission does order that:

1. The area in and covered by this Spacing Order shall be the area bounded by the outside, or exposed, limits of the outside units proposed in the Application, comprising 6,284.6 acres, situate in Pine and Green Townships, Indiana County, and Barr and Susquehanna Townships, Cambria County, Pennsylvania, said map having been marked, "MAP EXHIBIT TO SPACING ORDER NO. 10, ENTERED MARCH 20, 1970, OF THE OIL AND GAS CONSERVATION COMMISSION FOR HUNTERSVILLE CHERT AND ORISKANY SANDSTONE PRODUCTION OF GAS FROM THE PINETON POOL, INDIANA AND CAMBRIA COUNTIES, PENNSYLVANIA." Said map is hereby incorporated into, made a part of this Order, and will be kept in the records of the Oil and Gas Conservation Commission, 1205 State Office Building, 300 Liberty Avenue, Pittsburgh, Pennsylvania.

2. The nineteen (19) drilling units proposed by Applicants and described on the map exhibit to the Application, now made the MAP EXHIBIT to this order, are hereby established and approved to cover all production from the Huntersville Chert and/or Oriskany Sandstone Horizons, being as follows:


Unit No. 1 -	Measuring	2,800	feet	by	5,000	feet	-	321.4	acres
Unit No. 2 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 3 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 4 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 5 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 6 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 7 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 8 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 9 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 10 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 11 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 12 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 13 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 14 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 15 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 16 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 17 -	"	2,800	"	"	5,000	"	-	321.4	"
Unit No. 18 -	"	3,200	"	"	5,000	"	by		
		3,400	"	"	5,000	"	-	395.2	"
Unit No. 19 -	"	3,400	"	"	5,000	"	by		
		3,600	"	"	5,000	"	-	425.6	"

3. No well shall be drilled for the production of gas from the Huntersville Chert and/or Oriskany Sandstone horizons closer than two thousand (2,000) feet from any other well drilled or drilling for gas from said horizons.
4. Not more than one well shall be drilled for production of gas from the Huntersville Chert and/or Oriskany Sandstone horizons on any of the drilling units established by this Order.
5. No well shall be drilled for production of gas from the Huntersville Chert and/or Oriskany Sandstone horizons closer than one thousand (1,000) feet from the unit line of any drilling unit established and approved by this Order.
6. The royalty interests in the natural gas produced from the Huntersville Chert and Oriskany Sandstone formations in each of the separately owned tracts of land, or parts thereof, in each of the nineteen (19) drilling units established by this Order are hereby deemed to be integrated each into one unit. Production of natural gas from any one of the separately

owned tracts in any of the nineteen (19) units established by this Order shall constitute production of natural gas from every other tract included within such unit in which production occurs. All royalties accruing shall be treated as an entirety for such unit and shall be divided among and paid to the separate owners thereof at the rate provided by the pertinent lease or sublease contracts in the proportion that the acreage bears to the total acreage in such unit. Payment of said royalties shall be effective as of the date of first production from any such unit.

7. In the event that no well shall have been drilled on any of the nineteen (19) drilling units established and approved by this Order within five (5) years from the date hereof, then any such unit or units on which no well shall have been drilled shall be released from any control by this Order without any further action by this Commission.

By the Commission


Quentin E. Wood, Chairman

Dated: March 20, 1970