

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

IN THE MATTER OF THE APPLICATION OF)
J. A. FOX, C. S. COEN AND F. M. SLOAN)
FOR MODIFICATION OF SPACING ORDER 5)
COVERING THE MURRYSVILLE ONONDAGA-ORISKANY)
GAS POOL, FRANKLIN TOWNSHIP, WESTMORELAND)
COUNTY AND MONROEVILLE BOROUGH, ALLEGHENY)
COUNTY, TO INCLUDE ADDITIONAL ACRFACE)
EXTENDING INTO PENN TOWNSHIP, WESTMORELAND)
COUNTY, AND FOR THE APPROVAL OF A UNIT WITHIN)
THE PROPOSED EXTENDED AREA IN FRANKLIN TOWNSHIP,)
WESTMORELAND COUNTY, ALL IN THE COMMONWEALTH)
OF PENNSYLVANIA)

SPACING ORDER
DOCKET NO. 5-A

SPACING ORDER NO. 5-A

APPEARANCES

For the applicants, Peter U. Hook, of Ray, Buck, John and Hook, Attorneys, and Robert E. Eberly, oil and gas producer, and Fenton H. Finn, consulting geologist and engineer, witnesses, and J. A. Fox, natural gas producer.

For Equitable Gas Company, Sexton M. Linger, Chief Geologist.

HISTORY OF THE CASE

1. May 4, 1965, an application was received in the office of the Oil and Gas Conservation Commission, Pittsburgh, Pennsylvania, filed by J. A. Fox, C. S. Coen and F. M. Sloan, for modification of Spacing Order 5, covering the Murrysville Onondaga-Oriskany gas pool, Franklin Township, Westmoreland County and Monroeville Borough, Allegheny County, Pennsylvania, to include

an additional twelve hundred (1200) acres, more or less, of lands extending into Penn Township, Westmoreland County, Pennsylvania, and for approval of a unit comprising six hundred and two (602) acres, more or less, of lands in Franklin Township, Westmoreland County, Pennsylvania, partly within the area subject to Spacing Order 5, and partly in the proposed extended area.

2. May 6, 1965, notifications of a hearing to be held in the Hearing Room of the Public Utility Commission, 12th Floor, State Office Building, 300 Liberty Avenue, Pittsburgh, Pennsylvania, at 10:00 A. M., on Friday, May 21, 1965, were published in the Pittsburgh Post-Gazette, Pittsburgh, Allegheny County, Pennsylvania, and in the Jeannette News Dispatch, Jeannette, Westmoreland County, Pennsylvania, daily newspapers of general circulation in the respective counties, and were sent by registered mail to the interested parties whose addresses were known to the Commission, and by regular mail to those who had indicated to the Commission that they wished to be notified regarding spacing order hearings affecting lands in the respective townships and counties.
3. May 13, 1965, second notifications were published in the Pittsburgh Post-Gazette and the Jeannette News Dispatch announcing the time and the place of the hearing.
4. May 21, 1965, the hearing was held in the hearing room of the Public Utility Commission, 12th Floor, State Office Building, Pittsburgh, Pennsylvania.
5. May 21, 1965, the Oil and Gas Conservation Commission met for the purpose of considering the testimony taken at the hearing, and decisions were reached regarding the application for modification of the spacing order and for approval of the proposed unit.

QUESTIONS AT ISSUE

1. Is a modification of Spacing Order 5 necessary under all the circumstances?
2. If a modification of Spacing Order 5 is necessary, what should be the terms and conditions of such modification?

FINDINGS OF FACT

1. The history of the case, the questions at issue, the findings of fact, the conclusions of law and the order of Spacing Order Docket 5, dated December 2, 1963, are hereby incorporated herein by reference.
2. The area as defined in the present application is an area that is contiguous to, and merely enlarges, that area for which Spacing Order 5 was issued. The testimony indicates that the Applicants have chosen the location of the proposed well close to the southern extremity of the area controlled by Spacing Order 5, because of the apparent lack of favorable permeability in the Onondaga chert and Oriskany sandstone in the area of the discovery well, indicated by the small production obtainable from said well, and because of indications that the Oriskany at the proposed location will be at least as high or higher structurally, should be thicker, and should have increased permeability over that found in the said discovery well. The testimony also indicates that the same structural high at Onondaga-Oriskany levels exists at the proposed well location as was found in the discovery well. Accordingly, the Commission is considering the discovery well in the area of Spacing Order 5, as being the discovery well under consideration in the present Application.
3. All of the testimony indicates that the area, comprising twelve hundred (1200) acres, more or less, in Franklin and Penn Townships, Westmoreland County, Pennsylvania, outlined in green on the map submitted as part of

- the Application, should be made subject to spacing order control.
4. All of the testimony indicates that the minimum unit, minimum distances from other wells and from nearest unit line should be the same as those prescribed in Spacing Order 5.
 5. All of the testimony indicates that the unit, as outlined in yellow on the map submitted with the Application, comprising six hundred and two (602) acres, more or less, in Franklin Township, Westmoreland County, Pennsylvania meets the requirements of the minimum unit specified in Spacing Order 5, and the proposed well location is in excess of the distances required by said order, and should be approved.
 6. All of the testimony indicates that approval of the area proposed to be made subject to spacing order control, and the unit proposed for approval by the Commission, both identified on the map submitted with the Application, will result in the efficient and economic development of the Murrysville Onondaga-Oriskany Gas Pool.

CONCLUSIONS OF LAW

1. A Spacing Order is deemed to be necessary to enlarge the area covered by Spacing Order 5.
2. A unit should be established for the drilling of the proposed well, and is so established in the Order which follows.
3. The terms and conditions upon which the royalty interests should be deemed to be integrated in the unit established by this Order should be prescribed, and are so prescribed in the Order which follows.

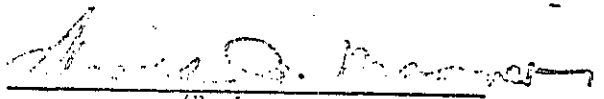
ORDER

Accordingly, the Commission does order that:

1. The area included in and covered by this Spacing Order shall be the area outlined in green on the map submitted with the Application, comprising twelve hundred (1200) acres, more or less, of lands in Franklin and Penn Townships, Westmoreland County, Pennsylvania, said map having been marked "MAP EXHIBIT TO SPACING ORDER NO. 5-A, OF OIL AND GAS CONSERVATION COMMISSION FOR PART OF THE MURRYSVILLE ONONDAGA-ORISKANY GAS POOL." 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, 506 Benedum Trees Building, 223 Fourth Avenue, Pittsburgh, Pennsylvania.
2. The unit outlined in yellow on said map, comprising six hundred two (602) acres, more or less, of lands in Franklin Township, Westmoreland County, Pennsylvania, is hereby established and approved by the Commission.
3. Not more than one well shall be drilled for the production of gas from the Onondaga Chert or Oriskany Sandstone on said unit.
4. Each well within the area designated under this Spacing Order shall be located on a drilling unit of not less than six hundred (600) contiguous acres.
5. Within the area designated under this Spacing Order wells shall not be located less than four thousand (4,000) feet from other wells producing gas, or drilling for the production of gas, from the Onondaga Chert and/or Oriskany Sandstone horizons in the said gas pool.
6. No well within the area designated under this Spacing Order shall be located closer than fourteen hundred (1400) feet from the nearest unit boundary line.

7. The royalty interest in natural gas in the Onondaga Chert and Oriskany Sandstone in each of the separately owned tracts of land, or parts thereof, in the unit hereinabove designated, established and approved, are hereby deemed to be integrated by virtue of this Spacing Order 5-A, on the terms and conditions hereinafter set forth.
8. Production of natural gas from any one of the separately owned tracts included within said unit shall constitute production of natural gas from every other tract included within the said unit in which such production occurs under the terms of the leases or subleases affecting the tracts included in the respective unit.
9. All royalties accruing on all production of natural gas within said unit 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 (mineral rights subject to lease or sublease of each royalty owner in said unit) bears to the total acreage in said unit.
10. The payment of said royalties that may be due on natural gas produced, when paid in the indicated proportions and pursuant to the terms of the lease or sublease agreement covering such part of the unit, shall be and constitute full compliance with the obligations to make such payments under contracts affecting the property included within said unit.
11. This Order affects only operations for the production of natural gas from the Onondaga Chert and/or Oriskany Sandstone horizons in the designated area and does not in any way affect operations for production at lesser depths.

BY THE COMMISSION


Chairman

Dated: May 21, 1965