

STATE OF ALASKA  
ALASKA OIL AND GAS CONSERVATION COMMISSION  
3001 Porcupine Drive  
Anchorage, Alaska 99501

Re: THE APPLICATION OF UNION OIL) Conservation Order No. 175  
COMPANY OF CALIFORNIA re- )  
questing the amendment of ) Kenai Gas Field.  
Rule 2 of Conservation Order) All Gas Pools.  
No. 82. )  
July 9, 1981

IT APPEARING THAT:

1. Union Oil Company of California operator of the Kenai Unit, by letter dated June 18, 1981, requested the Alaska Oil and Gas Conservation Commission to amend Rule 2 of Conservation Order No. 82 which defines drilling units and sets out spacing requirements for all gas pools in the Kenai Gas Field.
2. Notice of Public Hearing was published in the Anchorage Times on June 26, 1981.
3. There were no protests to the application.

FINDINGS:

1. Rule 2 of Conservation Order No. 82 is as follows:  
A drilling unit for each pool shall consist of any two adjacent governmental quarter sections within the same section. Not more than one completed well shall be allowed in any drilling unit. No pay open to the well bore will be less than 3,000 feet from the pay in the same pool in any other well capable of producing therefrom.
2. Six defined gas pools and one undefined gas pool are present in the Kenai Gas Field.
3. The known productive limits of all pools are included in the Kenai Unit, which is the affected area.
4. The correlative rights of all owners in the Kenai Unit are protected, regardless of spacing requirements.

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5. Gas reservoirs in the Kenai Gas Field occur in both continuous sand beds and discontinuous sand beds.
6. Evidence indicates that a closer spacing of wells will not harm continuous sand reservoirs and could lead to increased gas recovery from discontinuous sand reservoirs.
7. The establishment of drilling units is not necessary when spacing requirements are removed.
8. The flexibility to vary well spacing will permit the best use of existing drill sites and may prevent the construction of additional drill sites.

NOW, THEREFORE, IT IS ORDERED THAT:

Rule 2 of Conservation Order No. 82 is hereby amended to read as follows:

Rule 2, Well Spacing

There shall be no restrictions as to well spacing except that no gas pay shall be opened in a well closer than 1,500 feet to the unit boundaries.

DONE at Anchorage, Alaska and dated July 9, 1981.



*Hoyle H. Hamilton*

Hoyle H. Hamilton, Chairman  
Alaska Oil and Gas Conservation Commission

*Harry W. Kugler*

Harry W. Kugler, Commissioner  
Alaska Oil and Gas Conservation Commission