

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF FINLEY RESOURCES INC. FOR AN ORDER ESTABLISHING SPECIAL DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS, COMPRISED OF LANDS IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, USM, AND TOWNSHIPS 7 AND 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED TO ACHIEVE AN APPROXIMATE EQUIVALENT 20-ACRE WELL DENSITY

**Docket No. 2014-024
Cause No. 270-03**

INDEX OF ORDERS

| <u>NO.</u> | <u>DATE</u> | <u>DESCRIPTION</u> |
|------------|-------------|---|
| 1. | 06/24/2014 | Order Granting Motion to Continue |
| 2. | 07/28/2014 | Order Granting Leave to Supplement Exhibit A |
| 3. | 08/27/2014 | Findings of Fact, Conclusions of Law, and Order |
| 4. | 10/8/14 | Order Granting Ex Parte Motion to Amend Order to Correct Typographical Errors |
| 5. | 10/8/14 | Amended Findings of Fact, Conclusions of Law, and Order |
| | | |

FILED

OCT 08 2014

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF FINLEY RESOURCES INC. FOR AN ORDER ESTABLISHING SPECIAL DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS, COMPRISED OF LANDS IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, USM, AND TOWNSHIPS 7 AND 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED TO ACHIEVE AN APPROXIMATE EQUIVALENT 20-ACRE WELL DENSITY

**ORDER GRANTING *EX PARTE*
MOTION TO AMEND ORDER TO
CORRECT TYPOGRAPHICAL
ERRORS**

Docket No. 2014-024

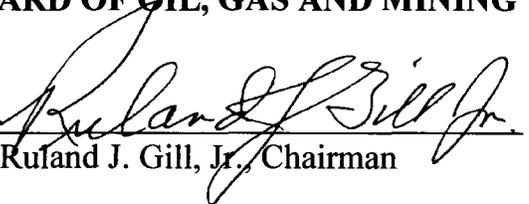
Cause No. 270-03

The Board of Oil, Gas and Mining, having fully considered Finley Resources Inc.'s *Ex Parte* Motion to Amend Order to Correct Typographical Errors filed on September 30, 2014 and finding good cause therefore, hereby grants said Motion and authorizes the Amended Findings of Fact, Conclusions of Law and Order be substituted for and replace the original Order on file in this Cause.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 8th day of October, 2014.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: 
Rufand J. Gill, Jr., Chairman

1075.11

CERTIFICATE OF SERVICE

I hereby certify that this 8th day of October, 2014, I caused a true and correct copy of the foregoing **ORDER GRANTING *EX PARTE* MOTION TO AMEND ORDER TO CORRECT TYPOGRAPHICAL ERRORS** for Docket No. 2014-024, Cause No. 270-03 to be mailed via E-Mail, and First Class Mail, with postage prepaid, to the following:

MacDonald & Miller Mineral Legal Services
PLLC
Attn: Thomas W. Bachtell, Esq
Seth A. Loughmiller, Esq.
Attorneys For Finley Resources Inc
7909 S Union Park Ave Ste 400
Salt Lake City UT 84047

Finley Resources Inc.
Attn: Tom Duncan
P.O. Box 2200
Fort Worth, TX 76113

Michael S. Johnson
Assistant Attorney General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorney General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Crescent Point Energy U.S. Corp
Attn: Ryan Waller
555 17th St., Suite 1800
Denver, CO 80202

Ute Indian Tribe of Uintah and
Ouray Reservation
Energy & Minerals Dept.
P.O. Box 70
Ft. Duchesne, UT 84026

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Utah School and Institutional Trust Lands
Administration
Attn: LaVonne Garrison
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

EnCana Oil & Gas (USA) Inc.
Attn: Judene Tatham
370 17th Street, Suite 1700
Denver, CO 80202-5632

Bill Barrett Corporation
Attn: David Watts
1099 18th Street, Suite 2300
Denver, CO 80202

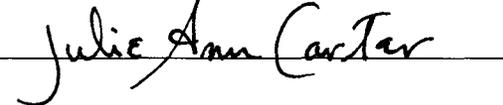
Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

BIA Uintah and Ouray Agency
P.O. Box 130
Fort Duchesne, UT 84026

Robert Bayless Producers, LLC
Attn: Cranford Newell
621 17th Street, Suite 2300
Denver, CO 80293

UPL Three Rivers Holdings, LLC and
Ultra Resources, Inc.
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078



FILED

OCT 08 2014

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF FINLEY RESOURCES INC. FOR AN ORDER ESTABLISHING SPECIAL DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS, COMPRISED OF LANDS IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, USM, AND TOWNSHIPS 7 AND 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED TO ACHIEVE AN APPROXIMATE EQUIVALENT 20-ACRE WELL DENSITY

**AMENDED FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER**

Docket No. 2014-024

Cause No. 270-03

This Cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, July 30, 2014, at 9:00 a.m., in the Auditorium of the Utah Department of Natural Resources Building in Salt Lake City. The following Board members were present and participated at the hearing: Chairman Ruland J. Gill, Jr., Susan S. Davis, Gordon L. Moon, Chris Hansen, Carl F. Kendell and Michael Brown. Board Member Kelly L. Payne was unable to attend. The Board was represented by Michael S. Johnson, Esq., Assistant Attorney General.

Testifying on behalf of Petitioner Finley Resources Inc. (“Finley”) was Tom Duncan – Geologist and Exploitation and Development Manager, Brandon Neely – Reservoir Engineer, and Zachary Archer – Landman. Mr. Duncan and Mr. Neely were recognized as experts in geology and petroleum engineering, respectively, for purposes of this Cause. Seth A. Loughmiller, Esq., of and for MacDonald & Miller Mineral Legal Services, PLLC, appeared as attorney for Finley.

Crescent Point Energy U.S. Corporation (“Crescent Point”), an owner of leaseholds in a portion of the lands at issue, originally filed an objection to Finley’s Request for Agency Action filed on May 12, 2014 in this Cause (the “Request”), but subsequently withdrew the objection and instead filed on July 18, 2014 a letter in support of the Request, which was included as part of the record in this Cause.

The Utah Division of Oil, Gas and Mining (“the Division”) elected not to file a Staff Memorandum in this cause, but participated in the hearing. Douglas J. Crapo, Esq., Assistant Attorney General, appeared as attorney for, and with the Board’s permission, Dustin Doucet, Petroleum Engineer, asked questions on behalf of, the Division. At the conclusion of Finley’s presentation in-chief, Mr. Crapo made a statement expressing the Division’s support for the granting of the Request, as conformed to the testimony and other evidence provided at the hearing, with the condition that, as part of filing an application for permit to drill (“APD”), Finley (or its successor operators) provide the

Division with written certification that there is common lease or production interest ownership if and when the 100-foot setback authorization as set forth below is applicable.

No other party filed a response to the Request and no other party appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause, hereby makes the following findings of fact, conclusions of law and order in this Cause.

FINDINGS OF FACT

1. Finley is a Texas corporation with its principal place of business in Fort Worth, Texas. Finley is duly qualified to conduct business in the State of Utah, and is fully and appropriately bonded with all relevant Federal and State of Utah agencies.

2. The following Uintah County lands, to which Finley refers as its “Three Rivers” area, were, at the time the Request was filed, not subject to any spacing order of the Board and therefore were subject to the Board’s and Division’s general operational rules, including Utah Admin. Code Rule R649-3-2 (the general well siting rule) requiring wells to be located in the center of a quarter-quarter section within a tolerance of 200 feet (an allowed 400-foot square “window”):

Township 3 South, Range 2 East, USM

Section 25: Lots 3 (9.73) and 4 (27.15)

Section 36: Lots 1 (44.05), 2 (20.97),
3 (37.82) and 4 (14.84),
and the SW $\frac{1}{4}$ SE $\frac{1}{4}$

Township 7 South, Range 20 East, SLM

Section 30: Lot 4 (47.20)

Section 31: Lots 1 (28.00), 2 (10.00),
3 (33.10) and 4 (15.80),
and the E $\frac{1}{2}$ NE $\frac{1}{4}$

Township 8 South, Range 20 East, SLM

Section 9: NW $\frac{1}{4}$ and the S $\frac{1}{2}$

(collectively the “Subject Lands”).

3. The oil, gas and hydrocarbons underlying the Subject Lands are approximately 73% Federally owned, with the other 27% owned in fee (private). The acreage is currently under lease to Finley or to Finley and Crescent Point. There are no unleased owners.

4. The Eocene Middle and Lower Green River and the upper 1,000 feet of the Paleocene Wasatch transitional formations are defined for purposes of this cause as follows:

the stratigraphic equivalent of the interval between the Mahogany Bench top, as found at 4,359', and approximately 1,000' into the Paleocene Wasatch, found at 7,787', on the log for the Ultra Resources Three Rivers 34-31-820 Well in Section 34, T7S-R20E, SLM

(the "Subject Formations").

5. The Subject Formations consist of lacustrine fluvial-deltaic deposits in the Green River and alluvial/fluvial fan deltas in the Wasatch. Average porosities in the Green River are 8% to 10% with average permeability of ~ .05 to .1 mD, while average porosity in the Wasatch is less than 8% with average permeability of less than .05 mD. The upper 1000 feet of the Wasatch formation should be included because: (a) given its depositional and discontinuous nature in the Three Rivers area, no wells would be drilled to produce solely therefrom; thus, additional resources will be recovered that would otherwise be left in the ground and prevent waste; and (b) drilling economics deter drilling deeper than 1000 feet into the Wasatch formation.

6. No wells have yet been drilled on the Subject Lands. However, Ultra Resources, Inc. ("Ultra") and its predecessor operator, Axia Energy, LLC ("Axia"), have drilled numerous wells which produce from the Subject Formations on lands immediately adjacent to or nearby the Subject Lands.

7. Analysis of the public data from Ultra's and Axia's wells, outlined in exhibits admitted into evidence and the testimony related thereto, reflect:

- a) the fracture orientation of the Subject Formations is an approximate 105° to 106° azimuth;
- b) an estimated average EUR of 200 to 215 MBO per well, with 58 MBO being the estimated EUR economic break even point;
- c) a production comparison of wells closely located (~1,100 feet apart) indicates little or no communication between such wells;
- d) an estimated recovery factor of 7.9% on a 20-acre well density pattern based on an average 7.5 to 9.2 MMBOIP/40 acres estimate, whereas a recovery factor of only 2.3% to 2.9% is expected on a 40-acre well density pattern; and
- e) outcrop studies and log comparisons of closely located wells evidence that wells located on a 20-acre well density pattern will intersect different sand bodies and therefore recover additional resources that will otherwise remain in the ground on an equivalent 40-acre well density pattern as currently authorized under the general well siting rule.

8. However, it is impractical, if not impossible, to create uniform standup or laydown 20-acre drilling units for the Subject Lands. In addition, due to the Uintah Special Meridian traversing portions of the Subject Lands, and to prevent lands from otherwise being undeveloped or in an otherwise disorderly manner, the following special drilling units should be formed with the following well authorizations to protect correlative rights:

A) Township 3 South, Range 2 East, USM

Sec. 25: Lots 3 and 4

Sec. 36: Lot 1

(80.93 acres)

with up to four (4) wells allowed;

B) Township 3 South, Range 2 East, USM

Sec. 36: Lots 2, 3 and 4 and the
SW $\frac{1}{4}$ SE $\frac{1}{4}$

(113.63 acres)

with up to five (5) wells allowed;

C) Township 7 South, Range 20 East, SLM

Sec. 30: Lot 4
Sec. 31: Lots 1 and 2

(85.20 acres)

with up to four (4) wells allowed; and

D) Township 7 South, Range 20 East, SLM

Sec. 31: Lots 3 and 4

(48.90 acres)

with up to two (2) wells allowed.

As to the remaining Subject Lands, the drilling units should be comprised of the regular quarter-quarter sections, with two (2) wells allowed per quarter-quarter section. Production interest ownership is uniform within each of the requested drilling units.

9. Because of the unconventional land ownership patterns created by the Uintah Special Meridian line that traverses portions of the Subject Lands, additional

wells on a 20-acre well density pattern may require them to be as close to the quarter-quarter section line as possible. Therefore, a 100-foot setback from a drilling unit boundary if the adjacent lands are within the same lease and have the same production interest owners will accommodate the optimization of such locations while still protecting correlative rights of the affected parties. In addition, by maintaining the existing 460-foot setback established under the general well siting rule from a shared drilling unit/lease boundary line, and given the lesser drainage area expected from wells on a 20-acre density pattern, the correlative rights of owners in adjacent lands will likewise be protected.

10. Finley has requested that, to the extent any productive interval of a directionally drilled well is outside of the setbacks set forth in Findings of Fact No. 9 above, it will seek an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation).

11. A copy of the Request was mailed, postage pre-paid, certified with return receipt requested, and properly addressed to all mineral, leasehold and production interest owners in the Subject Lands, to the working interest owners and operators in the lands adjacent to the Subject Lands, and to TLA and the State and Vernal Field Office of the BLM as the governmental agencies having mineral jurisdiction over portions of the

Subject Lands. The mailings were sent to said parties at their last addresses disclosed by the TLA, BLM and Uintah County records.

12. Notice of the filing of the Request and of the hearing thereon was duly published in the Salt Lake Tribune and Deseret Morning News on June 1, 2014 and in the Uintah Basin Standard and the Vernal Express on June 3, 2014.

13. The vote of the Board members present and participating in the hearing on this Cause was unanimous (6-0) in favor of granting the Request with the condition requested by the Division.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all parties whose legally protected interests are affected by the Request in the form and manner as required by law and the rules and regulations of the Board and Division.

2. The Board has jurisdiction over all matters covered by the Request and all interested parties therein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. §§40-6-5(3)(b) and 40-6-6 and Utah Admin. Code Rule R649-2-1(2).

3. The Board takes judicial notice of the exhibits admitted into evidence and the testimony received in the hearing on Cause No. 270-02 on October 23, 2013 pursuant

to Utah Code Ann. §63G-4-206(1)(b)(iv). That cause involved similar spacing of adjacent and nearby lands in the Three Rivers Area as to portions of the Subject Formations.

4. The Subject Formations, as defined in Finding of Fact No. 4 above, constitute a “common source of supply” as that phrase is defined in Utah Code Ann. §40-6-2(19).

5. The drilling units for the Subject Formations set forth above are not smaller than the maximum area that can be efficiently and economically drained by one well.

6. A 20-acre well density, with the specified number of authorized wells set forth in Findings of Fact No. 8 above, is required to efficiently and economically drain the respective drilling units.

7. Establishment of well setbacks of 460 feet from a shared drilling unit/lease boundary line and 100 feet if the adjacent lands are within the same lease and have the same production interest owners and with the proviso requested by the Division is protective of correlative rights and is fair, reasonable and justified under the circumstances.

8. The Board has the authority under Utah Admin. Code Rule R649-2-1(2) to modify the requirements of Utah Admin. Code Rule R649-3-11(1.1).

9. Finley has demonstrated good cause as to why Utah Admin. Code Rule R649-3-11(1.1) should be declared inapplicable to directionally drilled wells so long as the point of intersection within the Subject Formations, productive intervals and bottom hole location are entirely within the setbacks referenced in Conclusion of Law No. 6 above. All parties with “legally protected interests” impacted thereby were provided notice of the Request and hearing.

10. The relief granted hereby will result in consistent and orderly development and the greatest recovery of oil, gas and associated hydrocarbons from the Subject Formations underlying the Subject Lands, prevent waste and adequately protect the correlative rights of all affected parties.

11. Finley has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of the Request with the Division’s requested condition.

ORDER

Based upon the Request, testimony and evidence submitted, and the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request in this cause is granted with the modifications outlined below.

2. The special drilling units for the production of oil, gas and hydrocarbons from the Subject Formations (as defined above) from the Subject Lands (as defined above) identified in Findings of Fact No. 10 above are hereby established.

3. The following number of wells producing from the Subject Formations for each drilling unit are authorized:

A) Township 3 South, Range 2 East, USM

Sec. 25: Lots 3 and 4

Sec. 36: Lot 1

(80.93 acres)

with up to four (4) wells allowed;

B) Township 3 South, Range 2 East, USM

Sec. 36: Lots 2, 3 and 4 and the
SW $\frac{1}{4}$ SE $\frac{1}{4}$

(113.63 acres)

with up to five (5) wells allowed;

C) Township 7 South, Range 20 East, SLM

Sec. 30: Lot 4

Sec. 31: Lots 1 and 2

(85.20 acres)

with up to four (4) wells allowed; and

D) Township 7 South, Range 20 East, SLM

Sec. 31: Lots 3 and 4

(48.90 acres)

with up to two (2) wells allowed;

E) each regular quarter-quarter section within the following lands:

Township 7 South, Range 20 East, SLM

Sec. 31: E $\frac{1}{2}$ NE $\frac{1}{4}$

Township 8 South, Range 20 East, SLM

Sec. 9: NW $\frac{1}{4}$ and S $\frac{1}{2}$

with up to two (2) wells on each quarter-quarter section allowed;

provided no well may be located closer than 460 feet to a shared drilling unit/lease boundary line and no closer than 100 feet if the adjacent lands are within the same lease and have the same production interest owners, without an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation).

4. Utah Admin. Code Rule R649-3-11(1.1) is hereby declared inapplicable to any directionally drilled well on the drilling units so established as long as the point of intersection with the Subject Formations, all productive intervals and bottom hole

location are within the set backs so established and with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required.

5. As part of the APD filed, Finley (or its successor operators) will also provide the Division with written certification that there is common lease or production interest ownership if and when the 100-foot authorization as outlined in Order No. 3 above is applicable.

6. Pursuant to Utah Admin. Code Rules R641 and Utah Code Ann. §63G-4-204 to 208, the Board has considered and decided this matter as a formal adjudication.

7. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. §63G-4-208 and Utah Administrative Code Rule R641-109.

8. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. §63G-4-208(e) - (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with

the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. §§63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. §63G-4-302, entitled, “Agency Review – Reconsideration,” states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, “Rehearing and Modification of Existing Orders,” states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

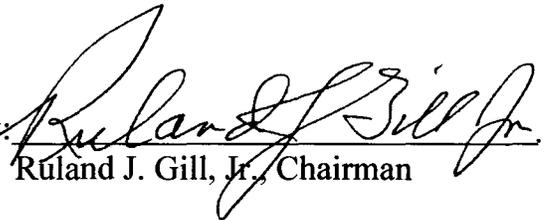
Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. §63G-4-302 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 8th day of October, 2014.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: 
Ruland J. Gill, Jr., Chairman

1075.11

CERTIFICATE OF SERVICE

I hereby certify that this 8th day of October, 2014, I caused a true and correct copy of the foregoing **AMENDED FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** for Docket No. 2014-024, Cause No. 270-03 to be mailed via E-Mail, and First Class Mail, with postage prepaid, to the following:

MacDonald & Miller Mineral Legal Services
PLLC
Attn: Thomas W. Bachtell, Esq
Seth A. Loughmiller, Esq.
Attorneys For Finley Resources Inc
7909 S Union Park Ave Ste 400
Salt Lake City UT 84047

Finley Resources Inc.
Attn: Tom Duncan
P.O. Box 2200
Fort Worth, TX 76113

Michael S. Johnson
Assistant Attorney General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorney General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Crescent Point Energy U.S. Corp
Attn: Ryan Waller
555 17th St., Suite 1800
Denver, CO 80202

Ute Indian Tribe of Uintah and
Ouray Reservation
Energy & Minerals Dept.
P.O. Box 70
Ft. Duchesne, UT 84026

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Utah School and Institutional Trust Lands
Administration
Attn: LaVonne Garrison
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

EnCana Oil & Gas (USA) Inc.
Attn: Judene Tatham
370 17th Street, Suite 1700
Denver, CO 80202-5632

Bill Barrett Corporation
Attn: David Watts
1099 18th Street, Suite 2300
Denver, CO 80202

Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

BIA Uintah and Ouray Agency
P.O. Box 130
Fort Duchesne, UT 84026

Robert Bayless Producers, LLC
Attn: Cranford Newell
621 17th Street, Suite 2300
Denver, CO 80293

UPL Three Rivers Holdings, LLC and
Ultra Resources, Inc.
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

A handwritten signature in cursive script that reads "Julie Ann Carter". The signature is written in black ink and is positioned above a horizontal line.

FILED

AUG 27 2014

**SECRETARY, BOARD OF
OIL, GAS & MINING**

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF FINLEY RESOURCES INC. FOR AN ORDER ESTABLISHING SPECIAL DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS, COMPRISED OF LANDS IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, USM, AND TOWNSHIPS 7 AND 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED TO ACHIEVE AN APPROXIMATE EQUIVALENT 20-ACRE WELL DENSITY

**FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER**

Docket No. 2014-024

Cause No. 270-03

This Cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, July 30, 2014, at 9:00 a.m., in the Auditorium of the Utah Department of Natural Resources Building in Salt Lake City. The following Board members were present and participated at the hearing: Chairman Ruland J. Gill, Jr., Susan S. Davis, Gordon L. Moon, Chris Hansen, Carl F. Kendell and Michael Brown. Board Member Kelly L. Payne was unable to attend. The Board was represented by Michael S. Johnson, Esq., Assistant Attorney General.

Testifying on behalf of Petitioner Finley Resources Inc. (“Finley”) was Tom Duncan – Geologist and Exploitation and Development Manager, Brandon Neely – Reservoir Engineer, and Zachary Archer – Landman. Mr. Duncan and Mr. Neely were recognized as experts in geology and petroleum engineering, respectively, for purposes of this Cause. Seth A. Loughmiller, Esq., of and for MacDonald & Miller Mineral Legal Services, PLLC, appeared as attorney for Finley.

Crescent Point Energy U.S. Corporation (“Crescent Point”), an owner of leaseholds in a portion of the lands at issue, originally filed an objection to Finley’s Request for Agency Action filed on May 12, 2014 in this Cause (the “Request”), but subsequently withdrew the objection and instead filed on July 18, 2014 a letter in support of the Request, which was included as part of the record in this Cause.

The Utah Division of Oil, Gas and Mining (“the Division”) elected not to file a Staff Memorandum in this cause, but participated in the hearing. Douglas J. Crapo, Esq., Assistant Attorney General, appeared as attorney for, and with the Board’s permission, Dustin Doucet, Petroleum Engineer, asked questions on behalf of, the Division. At the conclusion of Finley’s presentation in-chief, Mr. Crapo made a statement expressing the Division’s support for the granting of the Request, as conformed to the testimony and other evidence provided at the hearing, with the condition that, as part of filing an application for permit to drill (“APD”), Finley (or its successor operators) provide the

Division with written certification that there is common lease or production interest ownership if and when the 100-foot setback authorization as set forth below is applicable.

No other party filed a response to the Request and no other party appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause, hereby makes the following findings of fact, conclusions of law and order in this Cause.

FINDINGS OF FACT

1. Finley is a Texas corporation with its principal place of business in Fort Worth, Texas. Finley is duly qualified to conduct business in the State of Utah, and is fully and appropriately bonded with all relevant Federal and State of Utah agencies.

2. The following Uintah County lands, to which Finley refers as its “Three Rivers” area, were, at the time the Request was filed, not subject to any spacing order of the Board and therefore were subject to the Board’s and Division’s general operational rules, including Utah Admin. Code Rule R649-3-2 (the general well siting rule) requiring wells to be located in the center of a quarter-quarter section within a tolerance of 200 feet (an allowed 400-foot square “window”):

Township 3 South, Range 2 East, USM

Section 25: Lots 3 (9.73) and 4 (27.15)

Section 36: Lots 1 (44.05), 2 (20.97),
3 (37.82) and 4 (14.84),
and the SW $\frac{1}{4}$ SE $\frac{1}{4}$

Township 7 South, Range 20 East, SLM

Section 30: Lot 4 (47.20)

Section 31: Lots 1 (28.00), 2 (10.00),
3 (33.10) and 4 (15.80),
and the E $\frac{1}{2}$ NE $\frac{1}{4}$

Township 8 South, Range 20 East, SLM

Section 9: NW $\frac{1}{4}$ and the S $\frac{1}{2}$

(collectively the "Subject Lands").

3. The oil, gas and hydrocarbons underlying the Subject Lands are approximately 73% Federally owned, with the other 27% owned in fee (private). The acreage is currently under lease to Finley or to Finley and Crescent Point. There are no unleased owners.

4. The Eocene Middle and Lower Green River and the upper 1,000 feet of the Paleocene Wasatch transitional formations are defined for purposes of this cause as follows:

the stratigraphic equivalent of the interval between the Mahogany Bench top, as found at 4,359', and approximately 1,000' into the Paleocene Wasatch, found at 7,787', on the log for the Ultra Resources Three Rivers 34-31-820 Well in Section 34, T7S-R20E, SLM

(the "Subject Formations").

5. The Subject Formations consist of lacustrine fluvial-deltaic deposits in the Green River and alluvial/fluvial fan deltas in the Wasatch. Average porosities in the Green River are 8% to 10% with average permeability of ~ .05 to .1 mD, while average porosity in the Wasatch is less than 8% with average permeability of less than .05 mD. The upper 1000 feet of the Wasatch formation should be included because: (a) given its depositional and discontinuous nature in the Three Rivers area, no wells would be drilled to produce solely therefrom; thus, additional resources will be recovered that would otherwise be left in the ground and prevent waste; and (b) drilling economics deter drilling deeper than 1000 feet into the Wasatch formation.

6. No wells have yet been drilled on the Subject Lands. However, Ultra Resources, Inc. ("Ultra") and its predecessor operator, Axia Energy, LLC ("Axia"), have drilled numerous wells which produce from the Subject Formations on lands immediately adjacent to or nearby the Subject Lands.

7. Analysis of the public data from Ultra's and Axia's wells, outlined in exhibits admitted into evidence and the testimony related thereto, reflect:

- a) the fracture orientation of the Subject Formations is an approximate 105° to 106° azimuth;
- b) an estimated average EUR of 200 to 215 MBO per well, with 58 MBO being the estimated EUR economic break even point;
- c) a production comparison of wells closely located (~1,100 feet apart) indicates little or no communication between such wells;
- d) an estimated recovery factor of 7.9% on a 20-acre well density pattern based on an average 7.5 to 9.2 MMBOIP/40 acres estimate, whereas a recovery factor of only 2.3% to 2.9% is expected on a 40-acre well density pattern; and
- e) outcrop studies and log comparisons of closely located wells evidence that wells located on a 20-acre well density pattern will intersect different sand bodies and therefore recover additional resources that will otherwise remain in the ground on an equivalent 40-acre well density pattern as currently authorized under the general well siting rule.

8. However, it is impractical, if not impossible, to create uniform standup or laydown 20-acre drilling units for the Subject Lands. In addition, due to the Uintah Special Meridian traversing portions of the Subject Lands, and to prevent lands from otherwise being undeveloped or in an otherwise disorderly manner, the following special drilling units should be formed with the following well authorizations to protect correlative rights:

A) Township 3 South, Range 2 East, USM

Sec. 25: Lots 3 and 4

Sec. 36: Lot 1

(80.93 acres)

with up to four (4) wells allowed;

B) Township 3 South, Range 2 East, USM

Sec. 36: Lots 2, 3 and 4 and the
SE $\frac{1}{4}$ SW $\frac{1}{4}$

(113.13 acres)

with up to five (5) wells allowed;

C) Township 7 South, Range 20 East, SLM

Sec. 30: Lot 4
Sec. 31: Lots 1 and 2

(85.20 acres)

with up to four (4) wells allowed; and

D) Township 7 South, Range 20 East, SLM

Sec. 31: Lots 3 and 4

(48.90 acres)

with up to two (2) wells allowed.

As to the remaining Subject Lands, the drilling units should be comprised of the regular quarter-quarter sections, with two (2) wells allowed per quarter-quarter section. Production interest ownership is uniform within each of the requested drilling units.

9. Because of the unconventional land ownership patterns created by the Uintah Special Meridian line that traverses portions of the Subject Lands, additional

wells on a 20-acre well density pattern may require them to be as close to the quarter-quarter section line as possible. Therefore, a 100-foot setback from a drilling unit boundary if the adjacent lands are within the same lease and have the same production interest owners will accommodate the optimization of such locations while still protecting correlative rights of the affected parties. In addition, by maintaining the existing 460-foot setback established under the general well siting rule from a shared drilling unit/lease boundary line, and given the lesser drainage area expected from wells on a 20-acre density pattern, the correlative rights of owners in adjacent lands will likewise be protected.

10. Finley has requested that, to the extent any productive interval of a directionally drilled well is outside of the setbacks set forth in Findings of Fact No. 9 above, it will seek an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation).

11. A copy of the Request was mailed, postage pre-paid, certified with return receipt requested, and properly addressed to all mineral, leasehold and production interest owners in the Subject Lands, to the working interest owners and operators in the lands adjacent to the Subject Lands, and to TLA and the State and Vernal Field Office of the BLM as the governmental agencies having mineral jurisdiction over portions of the

Subject Lands. The mailings were sent to said parties at their last addresses disclosed by the TLA, BLM and Uintah County records.

12. Notice of the filing of the Request and of the hearing thereon was duly published in the Salt Lake Tribune and Deseret Morning News on June 1, 2014 and in the Uintah Basin Standard and the Vernal Express on June 3, 2014.

13. The vote of the Board members present and participating in the hearing on this Cause was unanimous (6-0) in favor of granting the Request with the condition requested by the Division.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all parties whose legally protected interests are affected by the Request in the form and manner as required by law and the rules and regulations of the Board and Division.

2. The Board has jurisdiction over all matters covered by the Request and all interested parties therein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. §§40-6-5(3)(b) and 40-6-6 and Utah Admin. Code Rule R649-2-1(2).

3. The Board takes judicial notice of the exhibits admitted into evidence and the testimony received in the hearing on Cause No. 270-02 on October 23, 2013 pursuant

to Utah Code Ann. §63G-4-206(1)(b)(iv). That cause involved similar spacing of adjacent and nearby lands in the Three Rivers Area as to portions of the Subject Formations.

4. The Subject Formations, as defined in Finding of Fact No. 4 above, constitute a “common source of supply” as that phrase is defined in Utah Code Ann. §40-6-2(19).

5. The drilling units for the Subject Formations set forth above are not smaller than the maximum area that can be efficiently and economically drained by one well.

6. A 20-acre well density, with the specified number of authorized wells set forth in Findings of Fact No. 8 above, is required to efficiently and economically drain the respective drilling units.

7. Establishment of well setbacks of 460 feet from a shared drilling unit/lease boundary line and 100 feet if the adjacent lands are within the same lease and have the same production interest owners and with the proviso requested by the Division is protective of correlative rights and is fair, reasonable and justified under the circumstances.

8. The Board has the authority under Utah Admin. Code Rule R649-2-1(2) to modify the requirements of Utah Admin. Code Rule R649-3-11(1.1).

9. Finley has demonstrated good cause as to why Utah Admin. Code Rule R649-3-11(1.1) should be declared inapplicable to directionally drilled wells so long as the point of intersection within the Subject Formations, productive intervals and bottom hole location are entirely within the setbacks referenced in Conclusion of Law No. 6 above. All parties with “legally protected interests” impacted thereby were provided notice of the Request and hearing.

10. The relief granted hereby will result in consistent and orderly development and the greatest recovery of oil, gas and associated hydrocarbons from the Subject Formations underlying the Subject Lands, prevent waste and adequately protect the correlative rights of all affected parties.

11. Finley has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of the Request with the Division’s requested condition.

ORDER

Based upon the Request, testimony and evidence submitted, and the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request in this cause is granted with the modifications outlined below.

2. The special drilling units for the production of oil, gas and hydrocarbons from the Subject Formations (as defined above) from the Subject Lands (as defined above) identified in Findings of Fact No. 10 above are hereby established.

3. The following number of wells producing from the Subject Formations for each drilling unit are authorized:

A) Township 3 South, Range 2 East, USM

Sec. 25: Lots 3 and 4

Sec. 36: Lot 1

(80.93 acres)

with up to four (4) wells allowed;

B) Township 3 South, Range 2 East, USM

Sec. 36: Lots 2, 3 and 4 and the
SE $\frac{1}{4}$ SW $\frac{1}{4}$

(113.13 acres)

with up to five (5) wells allowed;

C) Township 7 South, Range 20 East, SLM

Sec. 30: Lot 4

Sec. 31: Lots 1 and 2

(85.20 acres)

with up to four (4) wells allowed; and

D) Township 7 South, Range 20 East, SLM

Sec. 31: Lots 3 and 4

(48.90 acres)

with up to two (2) wells allowed;

E) each regular quarter-quarter section within the following lands:

Township 7 South, Range 20 East, SLM

Sec. 31: E $\frac{1}{2}$ NE $\frac{1}{4}$

Township 8 South, Range 20 East, SLM

Sec. 9: NW $\frac{1}{4}$ and S $\frac{1}{2}$

with up to two (2) wells on each quarter-quarter section allowed;

provided no well may be located closer than 460 feet to a shared drilling unit/lease boundary line and no closer than 100 feet if the adjacent lands are within the same lease and have the same production interest owners, without an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation).

4. Utah Admin. Code Rule R649-3-11(1.1) is hereby declared inapplicable to any directionally drilled well on the drilling units so established as long as the point of intersection with the Subject Formations, all productive intervals and bottom hole

location are within the set backs so established and with the caveat that, if an uphole completion closer than the set back is subsequently proposed, an exception location approval in accordance with Utah Admin. Code Rule R649-3-3 (or subsequently enacted equivalent regulation) will be required.

5. As part of the APD filed, Finley (or its successor operators) will also provide the Division with written certification that there is common lease or production interest ownership if and when the 100-foot authorization as outlined in Order No. 3 above is applicable.

6. Pursuant to Utah Admin. Code Rules R641 and Utah Code Ann. §63G-4-204 to 208, the Board has considered and decided this matter as a formal adjudication.

7. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. §63G-4-208 and Utah Administrative Code Rule R641-109.

8. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. §63G-4-208(e) - (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with

the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. §§63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. §63G-4-302, entitled, “Agency Review – Reconsideration,” states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, “Rehearing and Modification of Existing Orders,” states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. §63G-4-302 and the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 27th day of August, 2014.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: 
Ruland J. Gill, Jr., Chairman

1075.11

CERTIFICATE OF SERVICE

I hereby certify that this 28th day of August, 2014, I caused a true and correct copy of the foregoing **FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER** for Docket No. 2014-024, Cause No. 270-03 to be mailed via E-Mail, and First Class Mail, with postage prepaid, to the following

MacDonald & Miller Mineral Legal Services
PLLC
Attn: Thomas W. Bachtell, Esq
Seth A. Loughmiller, Esq.
Attorneys For Finley Resources Inc
7909 S Union Park Ave Ste 400
Salt Lake City UT 84047

Finley Resources Inc.
Attn: Tom Duncan
P.O. Box 2200
Fort Worth, TX 76113

Michael S. Johnson
Assistant Attorney General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorney General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Crescent Point Energy U.S. Corp
Attn: Ryan Waller
555 17th St., Suite 1800
Denver, CO 80202

Ute Indian Tribe of Uintah and
Ouray Reservation
Energy & Minerals Dept.
P.O. Box 70
Ft. Duchesne, UT 84026

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Utah School and Institutional Trust Lands
Administration
Attn: LaVonne Garrison
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

EnCana Oil & Gas (USA) Inc.
Attn: Judene Tatham
370 17th Street, Suite 1700
Denver, CO 80202-5632

Bill Barrett Corporation
Attn: David Watts
1099 18th Street, Suite 2300
Denver, CO 80202

Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

BIA Uintah and Ouray Agency
P.O. Box 130
Fort Duchesne, UT 84026

Robert Bayless Producers, LLC
Attn: Cranford Newell
621 17th Street, Suite 2300
Denver, CO 80293

UPL Three Rivers Holdings, LLC and
Ultra Resources, Inc.
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

Handwritten signature of Julie Ann Carter in black ink, written over a horizontal line.

FILED

JUL 28 2014

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF FINLEY RESOURCES INC. FOR AN ORDER ESTABLISHING SPECIAL DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS, COMPRISED OF LANDS IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, USM, AND TOWNSHIPS 7 AND 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED TO ACHIEVE AN APPROXIMATE EQUIVALENT 20-ACRE WELL DENSITY

**ORDER GRANTING LEAVE
TO SUPPLEMENT EXHIBIT "A"**

Docket No. 2014-024

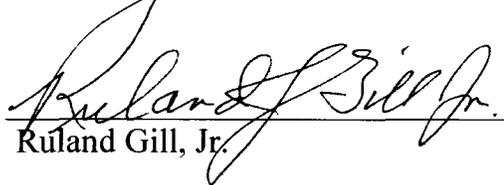
Cause No. 270-03

The Board of Oil, Gas and Mining, having fully considered Finley Resources Inc.'s Motion for Leave to Supplement Exhibit "A" filed on May 27, 2014 and finding good cause therefore, hereby grants said Motion and authorizes the supplementation of Exhibit "A" currently on file in this Cause with the Supplement to Exhibit "A" attached to the Motion.

For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 28th day of July, 2014.

**STATE OF UTAH
BOARD OF OIL, GAS AND MINING**

By: 
Ruland Gill, Jr.

1075.11

CERTIFICATE OF SERVICE

I hereby certify that this 28th day of July, 2014, I caused a true and correct copy of the foregoing **ORDER GRANTING LEAVE TO SUPPLEMENT EXHIBIT "A"** for Docket No. 2014-024, Cause No. 270-03 to be mailed via E-Mail, and First Class Mail, with postage prepaid, to the following

MacDonald & Miller Mineral Legal Services
PLLC
Attn: Thomas W. Bachtell, Esq
Seth A. Loughmiller, Esq.
Attorneys For Finley Resources Inc
7909 S Union Park Ave Ste 400
Salt Lake City UT 84047

Finley Resources Inc.
Attn: Tom Duncan
P.O. Box 2200
Fort Worth, TX 76113

Michael S. Johnson
Assistant Attorney General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorney General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Crescent Point Energy U.S. Corp
Attn: Ryan Waller
555 17th St., Suite 1800
Denver, CO 80202

Ute Indian Tribe of Uintah and
Ouray Reservation
Energy & Minerals Dept.
P.O. Box 70
Ft. Duchesne, UT 84026

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Utah School and Institutional Trust Lands
Administration
Attn: LaVonne Garrison
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

EnCana Oil & Gas (USA) Inc.
Attn: Judene Tatham
370 17th Street, Suite 1700
Denver, CO 80202-5632

Bill Barrett Corporation
Attn: David Watts
1099 18th Street, Suite 2300
Denver, CO 80202

Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

BIA Uintah and Ouray Agency
P.O. Box 130
Fort Duchesne, UT 84026

Robert Bayless Producers, LLC
Attn: Cranford Newell
621 17th Street, Suite 2300
Denver, CO 80293

UPL Three Rivers Holdings, LLC and
Ultra Resources, Inc.
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

A handwritten signature in cursive script that reads "Julie Ann Carter". The signature is written in black ink and is positioned above a solid horizontal line.

FILED

JUN 24 2014

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

**SECRETARY, BOARD OF
OIL, GAS & MINING**

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF FINLEY RESOURCES INC. FOR AN ORDER ESTABLISHING SPECIAL DRILLING UNITS FOR THE PRODUCTION OF OIL, GAS AND ASSOCIATED HYDROCARBONS FROM THE EOCENE MIDDLE AND LOWER GREEN RIVER AND PORTIONS OF THE PALEOCENE WASATCH TRANSITIONAL FORMATIONS, COMPRISED OF LANDS IN TOWNSHIP 3 SOUTH, RANGE 2 EAST, USM, AND TOWNSHIPS 7 AND 8 SOUTH, RANGE 20 EAST, SLM, UINTAH COUNTY, UTAH, AND AUTHORIZING WELLS ON EACH SUCH DRILLING UNIT SO ESTABLISHED TO ACHIEVE AN APPROXIMATE EQUIVALENT 20-ACRE WELL DENSITY

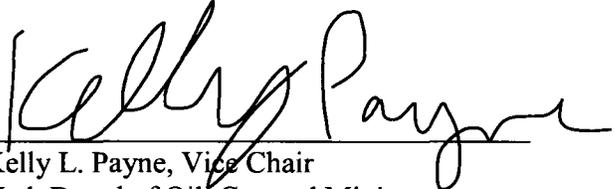
**ORDER GRANTING MOTION TO
CONTINUE HEARING**

Docket No. 2014-024

Cause No. 270-03

Having reviewed the Motion for Continuance submitted by Respondent Crescent Point Energy U.S. Corporation ("Crescent Point") on June 10, 2014, and the Capitulation to Crescent Point Energy U.S. Corporation's Request for Continuance filed by Petitioner Finley Resources, Inc. on June 16, 2014 in the above-captioned matter, the Utah Board of Oil, Gas and Mining hereby orders the matter continued to the Board's next regularly scheduled hearing on July 30, 2014.

Dated this 24th day of June, 2014.



Kelly L. Payne, Vice Chair
Utah Board of Oil, Gas and Mining.

CERTIFICATE OF SERVICE

I hereby certify that this 24th day of June, 2014, I caused a true and correct copy of the foregoing **ORDER GRANTING MOTION TO CONTINUE HEARING** for Docket No. 2014-024, Cause No. 270-03 to be mailed via E-Mail, and First Class Mail, with postage prepaid, , to the following

MacDonald & Miller Mineral Legal Services
PLLC
Attn: Thomas W. Bachtell, Esq
Seth A. Loughmiller, Esq.
Attorneys For Finley Resources Inc
7909 S Union Park Ave Ste 400
Salt Lake City UT 84047

Finley Resources Inc.
Attn: Tom Duncan
P.O. Box 2200
Fort Worth, TX 76113

Michael S. Johnson
Assistant Attorney General
Utah Board of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Steven F. Alder
Assistant Attorney General
Utah Division of Oil, Gas & Mining
1594 West North Temple, Suite 300
Salt Lake City, UT 84116
[Via Email]

Crescent Point Energy U.S. Corp
Attn: Ryan Waller
555 17th St., Suite 1800
Denver, CO 80202

Ute Indian Tribe of Uintah and
Ouray Reservation
Energy & Minerals Dept.
P.O. Box 70
Ft. Duchesne, UT 84026

Ute Distribution Corporation
P.O. Box 696
Roosevelt, UT 84066

Utah School and Institutional Trust Lands
Administration
Attn: LaVonne Garrison
675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818

EnCana Oil & Gas (USA) Inc.
Attn: Judene Tatham
370 17th Street, Suite 1700
Denver, CO 80202-5632

Robert Bayless Producers, LLC
Attn: Cranford Newell
621 17th Street, Suite 2300
Denver, CO 80293

Bill Barrett Corporation
Attn: David Watts
1099 18th Street, Suite 2300
Denver, CO 80202

UPL Three Rivers Holdings, LLC and
Ultra Resources, Inc.
c/o Mary Sharon Balakas
304 Inverness Way South, Ste. 295
Englewood, CO 80112

Bureau of Land Management
Utah State Office
Attn: Roger Bankert
440 West 200 South, Suite 500
Salt Lake City, UT 84101

Bureau of Land Management
Vernal Field Office
Attn: Jerry Kenczka
170 South 500 East
Vernal, UT 84078

BIA Uintah and Ouray Agency
P.O. Box 130
Fort Duchesne, UT 84026

A handwritten signature in cursive script that reads "Julie Ann Carter". The signature is written in black ink and is positioned above a solid horizontal line.