

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION *
OF TXO PRODUCTION CORPORATION *
FOR AN ORDER APPROVING THE *
LOCATION OF PETITIONER'S CITIES *
SOUTH BEND FEDERAL NO. 1 WELL AS *
AN EXCEPTION TO THE LOCATION *
PRESCRIBED BY THIS BOARD'S ORDER *
ENTERED IN CAUSE NO. 145-2; *
LOCATED IN THE SE1/4 SECTION 8, *
TOWNSHIP 7 SOUTH, RANGE 22 EAST, *
S.L.M., UINTAH COUNTY, UTAH *
*

**FINDINGS AND ORDER
CONCERNING HEARING DATE**

Docket No. 85-036
Cause No. 145-7

Petitioner's Motion for Deviation from Procedural Rules was heard before Mr. Gregory P. Williams, Chairman of the Board of Oil, Gas and Mining on June 12, 1985. Mr. Williams having considered the Motion and being fully advised in the premises, now finds and orders the following:

FINDINGS

1. Petitioner is a Delaware corporation duly authorized to transact business in the State of Utah.
2. Petitioner is the owner of option farmout rights covering the above-described lands.

3. Petitioner has applied to the Board for an Order granting an exception to the well location prescribed by Cause No. 145-2 so as to permit the drilling of the Cities South Bend Federal No. 1 Well in the SE1/4 rather than the approved SW1/4 of the above Section 8, all other provisions of the Order issued in Cause No. 145-2 to remain the same.

4. Petitioner's option rights to drill on the subject property were to expire on June 15, 1985.

5. Petitioner was required to commence actual drilling operations on the subject property to exercise its option.

6. Petitioner must have its proposed exception location authorized so it may legally commence drilling operations at the optimum location within the drilling unit.

7. Due to inadvertent mistake and oversight, TXO's Petition was not filed until June 11, 1985. Since the Board did not have a regularly scheduled meeting between then and June 15, 1985, Petitioner was prepared to request an expedited hearing of the Board.

8. Petitioner was able to negotiate an extension of time, through the July meeting of the Board, within which to exercise its option.

9. No party will be prejudiced by allowing this matter to be heard in July. All parties which Petitioner is required to

personally serve a copy of its petition and a notice of hearing upon will be served by June 15, 1985. This is the very same deadline which Petitioner would have been required to meet, had Petitioner filed its petition one day earlier. Therefore, all interested parties will have the normal period of notice within which to respond to the petition.

ORDER

THEREFORE, IT IS HEREBY ORDERED:

TXO Production Corporation's Motion for Deviation from the Procedural Rules requesting that TXO's Petition be heard at the regularly scheduled Board meeting for July is hereby granted.

DATED this 12th day of June, 1985.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Gregory P. Williams

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION OF TXO *
PRODUCTION CORPORATION FOR AN ORDER *
APPROVING THE LOCATION OF PETITIONER'S *
CITIES SOUTH BEND FEDERAL NO. 1 WELL *
AS AN EXCEPTION TO THE LOCATION *
PRESCRIBED BY THIS BOARD'S ORDER *
ENTERED IN CAUSE NO. 145-2; LOCATED *
IN THE SE1/4 SECTION 8, TOWNSHIP 7 *
SOUTH, RANGE 22 EAST, S.L.M., UINTAH *
COUNTY, UTAH. *

FINDINGS AND ORDER

Docket No. 85-036
Cause No. 145-7

Pursuant to the Petition of TXO Production Corporation, this cause came on for hearing before the Board of Oil, Gas & Mining, Department of Natural Resources and Energy, State of Utah, on Thursday, July 25, 1985, at 10 o'clock a.m. in the Board Room of the Division of Oil, Gas & Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman
Richard B. Larsen
John M. Garr
E. Steele McIntyre
Charles R. Henderson

The Board was represented by David S. Christensen , Esq., Assistant Attorney General for the State of Utah.

Appearances for the Division of Oil, Gas & Mining were made by:

Dr. Dianne Nielson, Director
Ronald J. Firth, Associate Director,
Oil & Gas

The Division was represented by Barbara W. Roberts, Assistant Attorney General for the State of Utah.

The Petitioner, TXO Production Corp. was represented by John A. Harja of Hugh C. Garner & Associates, 310 S. Main Street, Suite 1400, Salt Lake City, Utah 84101. Mr. Melvin E. Leslie, Esq. represented Commanche Oil & Gas Corp. and Hollinee Corporation.

Testimony was given by:

Ricky J. Taylor; Geologist, for Petitioner
Thomas A. Mitchell; Attorney-at-law, for Petitioner

NOW, THEREFORE, the Board having considered the testimony adduced and the exhibits reviewed in said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by law and the Rules and Regulations of the Board, including personal service of a Notice of Hearing and copy of the Petition upon all parties having an interest in the tracts of land contiguous to and cornering upon the subject lease, as listed in Exhibit "A" of the Petition.

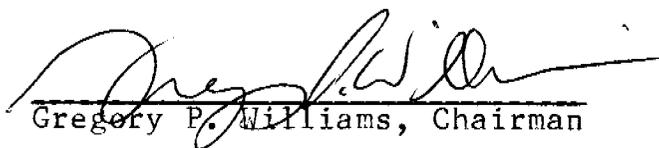
2. The Board has jurisdiction over the subject matter of the Petition and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board entered its Order in Cause No. 145-2 to establish 320 acre spacing units for the Uinta formation within

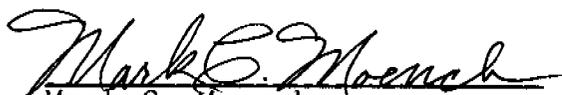
Range 22 East, S.L.M., so as to allow the Petitioner's Cities South Bend Federal No. 1 well to be drilled at a point 1,478 feet from the south line and 1,430 feet from the east line of said Section 8, all other provisions of the Order issued in Cause No. 145-2 to remain unchanged.

DATED this 23rd day of August, 1985.

STATE OF UTAH
BOARD OF OIL, GAS & MINING


Gregory P. Williams, Chairman

Approved as to form:


Mark C. Moench
Assistant Attorney General

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DIVISION OF OIL
GAS & MINING

BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES AND ENERGY
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE PETITION OF TXO	*	
PRODUCTION CORPORATION FOR AN ORDER	*	
APPROVING THE LOCATION OF PETITIONER'S	*	FINDINGS AND ORDER
CITIES SOUTH BEND FEDERAL NO. 1 WELL AS	*	ALLOWING SERVICE BY
AN EXCEPTION TO THE LOCATION	*	CERTIFIED MAIL
PRESCRIBED BY THIS BOARD'S ORDER	*	
ENTERED IN CAUSE NO. 145-2; LOCATED	*	Docket No. 85-036
IN THE SE1/4 SECTION 8, TOWNSHIP 7	*	
SOUTH, RANGE 22 EAST, S.L.M., Uintah	*	Cause No. <u>145-7</u>
COUNTY, UTAH.	*	

Petitioner's Verified Petition to allow service by Certified Mail was heard ex parte before Gregory P. Williams, Chairman of the Utah Board of Oil, Gas and Mining on June 13, 1985. Mr. Williams having considered the Petition and being advised in the premises, now makes and orders the following:

FINDINGS

1. Petitioner has petitioned the Board for an Order which would grant an exception to the well locations prescribed by Cause No. 145-2 so as to permit the drilling of the Cities South Bend Federal No. 1 well in the SE1/4 rather than in the approved SW1/4 of said Section 8, all other provisions of the Order issued in Cause No. 145-2 to remain the same.

2. The Petitioner is required to personally serve a copy of the Petition and Notice of Hearing on all persons whose property interests may be affected by the Petition.

3. TXP Operating Company and Hollinee Corp. own leasehold interests in tracts of land contiguous with and cornering on the subject property.

4. Said entities have no officer or agent upon whom process can be served in the State of Utah.

5. Attempts to obtain personal service in Utah would therefore not be efficacious.

6. Said entities' addresses are:

a) TXP Operating Co.
Box 1396
Houston, TX 77251

b) Hollinee Corp.
P.O. Box 249
Bluebell, PA 19422

7. Service by certified mail is just as likely to give actual notice as any other type of service.

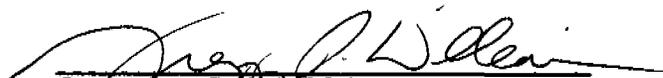
ORDER

THEREFORE, IT IS HEREBY ORDERED:

1. TXO Production Corporation's Verified Petition to Allow Service by Certified Mail is hereby granted.

DATED this 13th day of June, 1985.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


Gregory P. Williams