

Hugh C. Garner  
James W. Carter  
HUGH C. GARNER & ASSOCIATES, p.c.  
1100 Kennecott Building  
Salt Lake City, Utah 84133  
Telephone: (801) 532-5660

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

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IN THE MATTER OF THE  
APPLICATION OF TXO PRODUCTION  
CORPORATION FOR AN ORDER  
APPROVING THE LOCATION OF A  
PROPOSED TEST WELL FOR THE  
DAKOTA AND MORRISON  
FORMATIONS UNDERLYING  
SECTION 35, TOWNSHIP 16 SOUTH,  
RANGE 25 EAST, S.L.M., GRAND  
COUNTY, UTAH.

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O R D E R

Cause No. 149-14

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Pursuant to the application of TXO Production Corp., this cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Thursday, August 26, 1982 at 10:00 A.M. in Room 303 of the State Capital Building, Salt Lake City, Utah. The following Board members were present:

Charles R. Henderson, Chairman

Herm Olson, Presiding

Margaret Bird

E. Steele McIntyre

Appearances were made as follows: For TXO Production Corp. (Applicant) James W. Carter, Esq. 1100 Kennecott Building, Salt Lake City, Utah 84133.

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.

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

3. This Board has previously entered its Order in Cause No. 149-2(b) establishing 320-acre drilling and spacing units for the Dakota and Morrison Formations underlying Section 35 and others of Township 16 South, Range 25 East, S.L.M.

4. The drilling unit well for the drilling unit comprising the S1/2 of Section 35, township and range as aforesaid is currently the Valentine Federal No. 1 Well.

5. All available geologic and engineering data concerning the area indicates that the drilling and production of a well located 500 feet from the South line and 500 feet from the West line of said Section 35 would enhance recovery of hydrocarbon resources from said Section 35 and thereby prevent physical waste of the resource.

Sufficient evidence now being available upon which to reach a decision, the Board issues the following:

**ORDER**

IT IS HEREBY ORDERED by this Board as follows:

To prevent the physical waste of oil, gas and associated hydrocarbons, the Board hereby authorizes the drilling and completion of a test well to be located 500 feet from the South line and 500 feet from the West line of said Section 35 and authorizes production from said test well for a period not to exceed 60 days in order to evaluate the well. Production from the Valentine Federal No. 1 Well shall be discontinued during the testing.

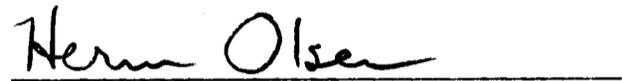
The Board further authorizes the drilling of an offset well by Burton Hancock in Section 3, Township 17 South, Range 24 East,

S.L.M. to be located no closer than 500 feet from the North line of said section upon application to and administrative approval by the Division of Oil, Gas and Mining.

DATED this 23rd day of September, 1982.

BOARD OF OIL, GAS AND MINING  
State of Utah

  
CHARLES R. HENDERSON, Chairman

  
HERM OLSON, Presiding

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JOHN L. BELL

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ROBERT R. NORMAN

  
MARGARET BIRD

  
E. STEELE MCINTYRE

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EDWARD T. BECK