

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. 149-1, establishing 320-acre drilling and spacing units for the Dakota and Morrison Formations underlying Sections 31 and others of Township 15 South, Range 23 East, S.L.M.

4. The Castlegate Member of the Mesa Verde Formation, the Dakota, Buckhorn, Morrison and Entrada Formations are believed to underly the above described land and to constitute a source of supply of natural gas.

5. All available geological and engineering data concerning the area indicates that one well will adequately drain all recoverable gas from each sand interval or zone underlying 320 surface acres of the above described area and that 320 surface acres is the maximum area that may be drained efficiently and economically by one well.

6. In order to avoid the drilling of unnecessary wells, to protect the correlative rights of all parties concerned, to insure proper and efficient development and to promote conservation of the gas resources of the state, an order should be made establishing drilling units for the production of gas from the Castlegate Member of the Mesa Verde Formation, the Dakota, Buckhorn, Morrison and Entrada Formations underlying Section 2, Township 16 South, Range 23 East, S.L.M.

Sufficient evidence now being available upon which to reach a decision, and in the absence of any objection, the Board issues the following:

ORDER

IT IS HEREBY ORDERED by this Board as follows:

To prevent the waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units of uniform size and shape, the Board hereby establishes two drilling and spacing units of 320-acres in Section 2, Township 16 South, Range 23 East, S.L.M., running in an east-west direction, comprising the S1/2 of said Section 2 and the N1/2 of said Section 2, according to the government survey of the above described lands, as an extension of its order in Cause No. 149-1.

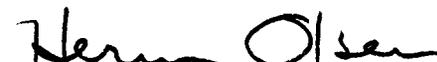
One well may be drilled and completed for production on each drilling unit. The permitted wells for the drilling units shall be located consistent with 320-acre spacing, and shall be located not nearer than 1,000 feet from the spacing unit boundary with a 500-foot tolerance to be granted administratively for geological and/or topographical exceptions, and no closer than 2,500 feet from any producing well in an adjacent area, and that a 500-foot tolerance be permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

DATED this 24th day of February, 1983.

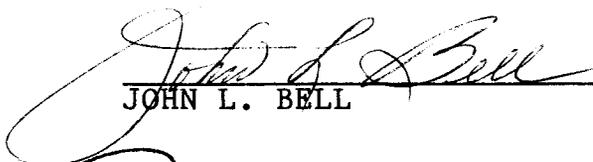
BOARD OF OIL, GAS AND MINING,
State of Utah



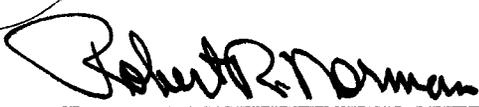
CHARLES R. HENDERSON, Chairman



HERM OLSEN, Presiding



JOHN L. BELL



ROBERT R. NORMAN

MARGARET BIRD

E. Steele McIntyre
E. STEELE McINTYRE

Edward T. Beck
EDWARD T. BECK