

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

IN THE MATTER OF THE PETITION	*	
OF BEARTOOTH OIL & GAS COMPANY	*	
FOR AN ORDER ESTABLISHING	*	FINDINGS & ORDER
EXCEPTION INFILL DRILLING	*	
LOCATIONS FOR THE DAKOTA AND	*	
MORRISON FORMATIONS UNDERLYING	*	Cause No. 165-11
SECTION 1, TOWNSHIP 17 SOUTH,	*	
RANGE 25 EAST, AND SECTION 6,	*	Docket No. 84-079
TOWNSHIP 17 SOUTH, RANGE 26 EAST,	*	
GRAND COUNTY, UTAH	*	

This matter was heard before the Board of Oil, Gas & Mining at its regularly scheduled hearing at 10:00 a.m. on January 24, 1985 in the boardroom of the Division of Oil, Gas & Mining, 355 West North Temple, Three Triad Center, Suite 301, Salt Lake City, Utah. The following Board Members, consisting of a quorum, were present and participated in the hearing and in the decision embodied herein:

- Gregory P. Williams, Chairman
- James W. Carter
- Charles R. Henderson
- Richard B. Larsen
- Constance K. Lundberg
- E. Steele McIntyre

Members of the staff of the Division of Oil, Gas and Mining present at and participating at the hearing included:

Dr. Dianne R. Nielson, Director
Ronald J. Firth, Associate Director, Oil & Gas
John R. Baza, Petroleum Engineer

Barbara W. Roberts, Assistant Attorney General of the State of Utah, appeared on behalf of the Division.

David S. Christensen, Assistant Attorney General of the State of Utah, appeared on behalf of the Board.

Thomas A. Mitchell, of Hugh C. Garner & Associates, appeared on behalf of the Petitioner.

Testimony was received from, and exhibits were introduced on behalf of Petitioner Beartooth Oil and Gas by John Chatfield, geologist, and John A. Harja, attorney, each of whom were recognized by the Board as an expert in his respective field in the context of this matter.

The Board, having considered the testimony of the experts, and evidence presented and the statements made by the participants at the hearing, now makes and enters the following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all parties required to be so notified

in the form and manner and within the time required by law and the rules and requirements of the Board.

2. The Board has jurisdiction over all matters covered by said notice and over all parties interested therein and has the power and authority to make and promulgate the Order hereinafter set forth.

3. The area that is the subject of this Order is described as Section 1, Township 17 South, Range 25 East, and Section 6, Township 17 South, Range 26 East, Grand County, Utah.

4. The Oil & Gas Conservation Commission adopted Field Rule 4-4 on December 5, 1956 in Cause No. 4, establishing in part the following drilling units of approximately 480 acres each:

Zone 1

Drilling Unit No. 3, consisting of the following described acreage:

Section 6: T17S, R26E, S.L.B.M.
Lots 1,2,3,4, S1/2N1/2, N1/2S1/2

Drilling Unit No. 4, consisting of the following described acreage:

Section 1: T17S, R25E, S.L.B.M.
Lots 1,2,3,4, S1/2N1/2, N1/2S1/2

which includes the area that is the subject of this order.

5. The Dakota and Morrison formations underlying said Sections 1 and 6 consist of lenticular, discontinuous sands and include the Salt Wash member of the Morrison formation.

6. Due to the geological character of the spaced zone, the pool of gas and associated hydrocarbons underlying Sections 1 and 6, one well per spacing unit will not economically and efficiently drain said formations underlying the above drilling units.

7. An order establishing an additional infill well within each drilling unit will maximize the efficient and economic recovery for said unit, as well as protect correlative rights.

8. The diversified interest ownership for these two sections demonstrates that infill well locations within the established drilling units, rather than downspacing to 240 acre units, will prevent economic waste and protect correlative rights.

9. Permanent infill well locations should be located in the SE quadrant of said drilling units as an exception location; however, such infill well should be located no closer than 500 feet from the spacing unit boundary and 2,500 feet from offsetting wells, with a 200-foot tolerance to be granted administratively for geological and/or topographical exceptions, and that a 200-foot tolerance should be permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

ORDER

IT IS THEREFORE ORDERED:

1. The Order in Cause No. 4 is hereby vacated to the extent that said prior Order will not allow more than one production well within the drilling units described as:

Zone 1

Drilling Unit No. 3, consisting of the following described acreage:

Section 6: T17S, R26E, S.L.B.M.
Lots 1,2,3,4, S1/2N1/2, N1/2S1/2

Drilling Unit No. 4, consisting of the following described acreage:

Section 1: T17S, R25E, S.L.B.M.
Lots 1,2,3,4, S1/2N1/2, N1/2S1/2

2. An additional infill production well on each of the aforesaid drilling units for the production of gas from the Dakota and Morrison formations is authorized.

3. The location for each permitted well shall be in the SE quadrant of said drilling units as an exception location; however, such infill well is to be located no closer than 500 feet from the spacing unit boundary and 2,500 feet from offsetting wells, with a 200-foot tolerance to be granted administratively for geological and/or topographical exceptions, and a 200-foot tolerance

is permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

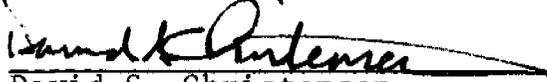
ENTERED this 28th day of February, 1985.

STATE OF UTAH
BOARD OF OIL, GAS & MINING

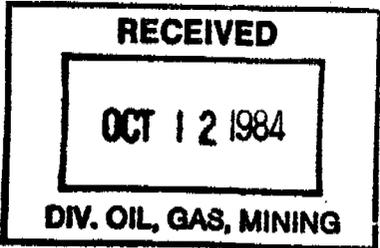


Gregory F. Williams,
Chairman

APPROVED AS TO FORM:



David S. Christensen,
Assistant Attorney General



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

IN THE MATTER OF THE PETITION *
OF BEARTOOTH OIL AND GAS COMPANY *
FOR AN ORDER ESTABLISHING * FINDINGS AND ORDER
EXCEPTION INFILL DRILLING LOCATIONS *
FOR THE DAKOTA AND MORRISON *
FORMATIONS UNDERLYING SECTION 1, * Cause No. 165-11
TOWNSHIP 17 SOUTH, RANGE 25 EAST, *
AND SECTION 6, TOWNSHIP 17 SOUTH, * Docket No. 84-079
RANGE 26 EAST, GRAND 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 October 12, 1984. Mr. Williams, having considered the Petition and been advised as to the premises, now makes and orders the following:

FINDINGS

1. Petitioner has applied to the Board for an Order establishing infill drilling locations in the existing spacing units within Section 1, Township 17 South, Range 25 East and Section 6, Township 17 South, Range 26 East, Grand County, Utah. Said Order would further provide that the permitted wells be located no closer than 500 feet from the boundary of the spacing unit with a 200 foot tolerance being granted administratively for geological and/or

topographical exceptions, and no closer than 2,500 feet from an offsetting well in the spacing unit or adjacent area, and that a 200 foot tolerance be permitted in the footage between the wells in the event that surface obstructions or undue hazards are encountered.

2. 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. Of the persons and entities listed in the records of the Utah State Office of the Bureau of Land Management as owning the leasehold interest in the lands contiguous with and cornering on the tract involved in this Petition, the following were discovered upon inquiry at the office of the Secretary of State not to have officers or agents upon whom process can be served in the State of Utah:

Hawthorn Oil Co.
Box 2693
Casper, Wyoming 82702

Ken R. Williams
2003 Stanolind
Midland, Texas 79701

William H. Martin
413 First Nat'l Bank
Midland, Texas 79701

W.D. Anderson & Assoc.
Box 136
Midland, Texas 79702

Edward H. Judson
413 First Nat'l Bank
Midland, Texas 79701

Tyrex Oil Co.
Box 1348
Casper, Wyoming 82602

Seco Energy Corp.
404 Petroleum Bldg.
Casper, Wyoming 82601

Maverick Oil & Gas
7460 W. Mexico Dr.
Lakewood, Colorado 80226

Farleigh Corp.
Box 3215
Casper, Wyoming 82602

Beard Oil Co.
2000 Classen Ctr. E
Oklahoma City, Oklahoma 73106

Burton W. Hancock
1799 Hamilton Ave.
San Jose, California 95125

4. Attempts to obtain personal service upon the above-mentioned persons and entities would not be efficacious.

5. Service by certified mail is as likely to give actual notice as is service by publication.

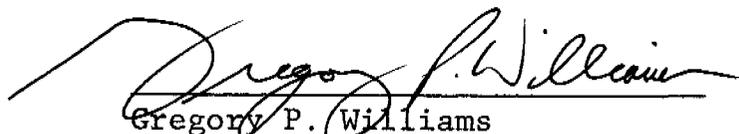
ORDER

THEREFORE, IT IS HEREBY ORDERED:

1. Beartooth Oil & Gas Company's Verified Petition to Allow Service by Certified Mail on said individuals and entities is hereby granted.

DATED this 12th day of October, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING



Gregory P. Williams
Chairman