

CAUSE NO. 193-3 / DOCKET NO. 95-009

IN THE MATTER OF THE REQUEST  
FOR AGENCY ACTION OF  
CONSOLIDATED OIL & GAS, INC.  
FOR AN ORDER RESCINDING THE  
320 STAND UP SPACING  
ESTABLISHED FOR THE PRODUCTION  
OF GAS FROM THE WASATCH  
FORMATION IN SECTION 10 OF  
TOWNSHIP 12 SOUTH RANGE 24 EAST,  
S.L.M., UINTAH COUNTY, UTAH,  
AND ESTABLISHING STATEWIDE  
SPACING IN ITS PLACE.

ORDERS

<u>ORDER #</u>	<u>DATE SIGNED</u>	<u>DESCRIPTION</u>
#1	4/25/95	ORDER ALLOWING DEVIATION FROM THE RULES FOR FILING REQUEST FOR AGENCY ACTION
#2	6/9/95	ORDER

June 22, 1995

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

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IN THE MATTER OF THE	:	
AMENDED REQUEST FOR	:	
AGENCY ACTION OF	:	ORDER
CONSOLIDATED OIL & GAS, INC.,	:	
FOR AN ORDER REPEALING THE	:	
320-STAND-UP SPACING	:	
ESTABLISHED FOR THE	:	
PRODUCTION OF GAS FROM THE	:	DOCKET NO. 95-009
WASATCH FORMATION IN	:	
SECTION 10 OF TOWNSHIP 12	:	CAUSE NO. 193-3
SOUTH, RANGE 24 EAST, S.L.M.,	:	
UINTAH COUNTY, UTAH, AND	:	
ESTABLISHING 40-ACRE SPACING	:	
IN ITS PLACE	:	

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This matter was heard before the Board of Oil, Gas and Mining at its regularly scheduled meeting at 10:00 a.m. on May 24, 1995, in the Board Room of the Department of Natural Resources, Room 520, 355 West North Temple, 3 Triad Center, Salt Lake City, Utah. The following Board Members, constituting a quorum, were present and participated in the hearing and the decision embodied herein:

Dave D. Lauriski, Chairman  
Judy F. Lever  
Kent G. Stringham  
Jay L. Christensen  
Thomas B. Faddies

The Division of Oil, Gas and Mining was represented by Thomas A. Mitchell, Assistant Attorney General.

The Board of Oil, Gas and Mining was represented by John W. Andrews, Assistant Attorney General.

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

James W. Carter, Director  
Ronald J. Firth, Associate Director, Oil and Gas  
Frank R. Matthews, Petroleum Engineer  
Bradley Hill, Petroleum Geologist

The Utah State Office, Bureau of Land Management, Salt Lake City, was represented by Assad Raffoul.

The following appeared at the Hearing:

Consolidated Oil & Gas Company, Inc.

By: Alan A. Enke  
RAY, QUINNEY & NEBEKER  
Salt Lake City, Utah

No one appeared in opposition to the application.

Testimony was received from, and exhibits were introduced on behalf of Consolidated Oil & Gas Company, Inc. by Gerald T. Sullivan, Senior Landman, and Steven Bausch, Petroleum Engineer.

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

#### FINDINGS OF FACT

1. On May 5, 1995, Applicant, Consolidated Oil & Gas Company, Inc. ("Consolidated"), submitted an Amended Request for Agency Action for an Order repealing the 320-stand-up spacing established in Cause No. 193-1 by Order dated July 22, 1981, for the production of gas from the Wasatch Formation in Section 10 of

Township 12 South, Range 24 East, S.L.M., Uintah County, Utah ("Subject Property"), and establishing 40-acre spacing in its place.

2. R. K. O'Connell and Credo Petroleum are the lessees of record under Federal Oil and Gas Lease U-69430. The lease contains the following lands:

Township 12 South, Range 24 East, S.L.M.  
Section 10: S $\frac{1}{2}$ N $\frac{1}{2}$ , S $\frac{1}{2}$

3. Consolidated is the farmee under a Farmout Option Agreement dated March 1, 1995, among R. K. O'Connell, Credo Petroleum and Consolidated. Consolidated can earn interests under the lease if it commences a well to test the Wasatch Formation on or before July 1, 1995.

4. After the granting of the Order in Cause 193-1, a well was drilled in Section 10. It has been plugged and abandoned and no additional drilling activities have been undertaken in Section 10.

5. The production history of Section 10 coupled with geologic and engineering data in the proximate area do not support a conclusion that one well will adequately drain all of the recoverable gas from each sand interval underlying each 320-acre drilling unit.

#### CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and subject matter of this hearing in Cause No. 193-3, Docket No. 95-009 was given to all interested persons in accordance with the applicable law, and with the rules, practices and orders of the Board pertaining to this matter.

2. The Petition of Consolidated Oil & Gas Company, Inc., in this matter was properly before the Board at the hearing, and the Board has jurisdiction over the matters contained therein.

3. The Board has jurisdiction for the establishment of drilling units pursuant to §40-6-6, Utah Code Annotated, 1953 as amended.

4. In order to prevent waste, to obtain a greater recovery of gas from the Subject Property, and to protect the correlative rights of the owners of the Subject Property and the owners of interests in the surrounding lands, the Board should grant the application to repeal 320-acre spacing in the Subject Property and to establish 40-acre spacing in the Subject Property.

#### ORDER

##### IT IS HEREBY ORDERED THAT:

1. The Application as filed by Consolidated Oil & Gas Company, Inc., requesting agency action for an Order repealing the 320-stand-up spacing established in Cause No. 193-1 by Order dated July 22, 1981, for the production of gas from the Wasatch Formation in Section 10 of Township 12 South, Range 24 East, S.L.M., Uintah County, Utah, and establishing 40-acre spacing in its place, IS HEREBY GRANTED.

2. The action taken by the Board is in the public interest in that it promotes conservation, increases ultimate recovery, prevents waste, and protects the correlative rights of all parties having an interest in the Subject Property and in the surrounding acreage.

ENTERED AND ISSUED this 9<sup>th</sup> day of June, 1995.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING



Thomas B. Faddies, Acting Chairman

APPROVED AS TO FORM:



John W. Andrews  
Assistant Attorney General



# DOLAR OIL PROPERTIES

Is Moving To

935 EAST SOUTH UNION AVENUE, SUITE D-202  
SALT LAKE CITY, UTAH 84047

PHONE (801) 561-3121 • FAX (801) 561-3133

*EFFECTIVE JUNE 1, 1995*

**MARK S. DOLAR, CPL • MARY K. HECKER • ROBERT L. BROCK**

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CERTIFICATE OF MAILING

I hereby certify that I caused a true and correct copy of the foregoing ORDER for Docket No. 95-009, Cause No. 193-3 to be mailed by certified mail, postage prepaid, on the 15 day of June, 1995, to the following:

ALAN A ENKE ESQ ✓  
RAY QUINNEY & NEBEKER  
PO BOX 45385  
SALT LAKE CITY UT 84145-0385

CONSOLIDATED OIL & GAS INC ✓  
410 17TH STREET STE 2300  
DENVER CO 80202

Mailed First-Class, Postage Prepaid to:

BEST EXPLORATION INC  
BOX 60006  
GRAND JUNCTION CO 81506

TK PRODUCTION CO  
PO BOX 2235  
BILLINGS MT 59103

DON F BRADSHAW  
448 SOUTH 400 EAST  
SALT LAKE CITY UT 84111

THE TERMO COMPANY  
PO BOX 2767  
LONG BEACH CA 90801

DJ INVESTMENT CO  
448 SOUTH 400 EAST  
SALT LAKE CITY UT 84111

JOHN W WARNER  
PO BOX 2235  
BILLINGS MT 59103

W S FEES JR TRUST  
2516 FORESIGHT #10  
GRAND JUNCTION CO 81506

YATES PETROLEUM CORPORATION  
105 SO 4TH STREET  
ARTESIA NM 88210

MARCEIL FEES TRUST  
2516 FORESIGHT #10  
GRAND JUNCTION CO 81506

H & H STAR ENERGY INC  
13561 W BAY SHORE DR #3000  
TRAVERSE CITY MI 49684

HAROLD B HOLDEN  
PO BOX 1743  
BILLINGS MT 59103

MARK S DOLAR CPL  
DOLAR OIL PROPERTIES  
935 E SO UNION AVE STE D-202  
SALT LAKE CITY UT 84047

J & K PROPERTIES INC  
PO BOX 3394  
BILLINGS MT 59103

R K O'CONNELL  
PO BOX 2003  
CASPER WY 82602

MORGAN MARATHON LTD  
1999 BROADWAY #2450  
DENVER CO 80202

JAMES T HUFFMAN PRESIDENT  
CREDO PETROLEUM CORPORATION  
1801 BROADWAY STE 900  
DENVER CO 80202

ROSEWOOD RESOURCES  
100 CRESCENT CT STE 500  
DALLAS TX 75201



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

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IN THE MATTER OF THE	:	
REQUEST FOR AGENCY ACTION	:	
OF CONSOLIDATED OIL & GAS,	:	ORDER ALLOWING
INC., FOR AN ORDER RESCINDING	:	DEVIATION FROM THE RULES
THE 320 STAND-UP SPACING	:	FOR FILING REQUEST FOR
ESTABLISHED FOR THE	:	AGENCY ACTION
PRODUCTION OF GAS FROM THE	:	
WASATCH FORMATION IN	:	
SECTION 10, TOWNSHIP 12 SOUTH,	:	DOCKET NO. 95-009
RANGE 24 EAST, S.L.M., Uintah	:	
COUNTY, UTAH, AND	:	CAUSE NO. 193-3
ESTABLISHING STATEWIDE	:	
SPACING IN ITS PLACE	:	

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Consolidated Oil & Gas, Inc. ("Consolidated"), by and through its counsel, Alan A. Enke of Ray, Quinney & Nebeker, made a Motion before the Board under Utah Administrative Code R641-100-400 for an order permitting a deviation of the requirements under Utah Administrative Code R641-105-100 to extend the time for the filing a request for agency action. Concurrently with its Motion, Consolidated filed the Request for Agency Action. The Board makes the following findings and order:

FINDINGS OF FACT

Good cause has been shown by Consolidated for the filing of the Request for Agency Action at this time, and the Board finds that there would be no prejudice to any party by granting Consolidated's Motion.

CONCLUSIONS OF LAW

The Board has the authority to issue an order allowing deviation from the requirements of Utah Administrative Code R641-105-100 and permitting this matter to be heard at the hearing on May 24, 1995.

ORDER

IT IS HEREBY ORDERED:

1. The Motion for deviation from the rules is hereby granted.
2. The Request for Agency Action filed by Consolidated Oil & Gas, Inc. is timely filed.
3. This matter may be heard at the next regularly scheduled meeting of the Board on May 24, 1995.

ENTERED this 25<sup>th</sup> day of April, 1995.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING



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Dave D. Lauriski, Chairman

**CERTIFICATE OF MAILING**

I hereby certify that I caused a true and correct copy of the foregoing NOTICE OF HEARING and ORDER ALLOWING DEVIATION FROM THE RULES FOR FILING REQUEST FOR AGENCY ACTION for Docket No. 95-009, Cause No. 193-3 to be mailed by certified mail, postage prepaid, on the 5 day of May, 1995, to the following:

ALAN A ENKE ESQ  
RAY QUINNEY & NEBEKER  
PO BOX 45385  
SALT LAKE CITY UT 84145-0385

CONSOLIDATED OIL & GAS INC  
410 17TH STREET STE 2300  
DENVER CO 80202

Mailed First-Class, Postage Prepaid to:

BEST EXPLORATION INC  
BOX 60006  
GRAND JUNCTION CO 81506

J & K PROPERTIES INC  
PO BOX 3394  
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MORGAN MARATHON LTD  
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PO BOX 2235  
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MARCEIL FEES TRUST  
2516 FORESIGHT #10  
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TERMO  
PO BOX 2767  
LONG BEACH CA 90801

HAROLD B HOLDEN  
PO BOX 1743  
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JOHN W WARNER  
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BILLINGS MT 59103

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105 SO 4TH STREET  
ARTESIA NM 88210

H & H STAR ENERGY INC  
13561 W BAY SHORE DR #3000  
TRAVERSE CITY MI 49684

MARK S DOLAR  
9035 SOUTH 700 EAST  
SANDY UT 84070-2418

R K O'CONNELL  
PO BOX 2003  
CASPER WY 82602

CREDO PETROLEUM CORPORATION  
1801 BROADWAY STE 900  
DENVER CO 80121

A handwritten signature in cursive script that reads "Janean Burns". The signature is written in black ink and is positioned above a solid horizontal line that extends across the width of the signature.