

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

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IN THE MATTER OF THE PETITION OF	:	ORDER
AMBRA OIL AND GAS COMPANY FOR	:	
EXCEPTION WELL LOCATIONS FOR	:	
CERTAIN LANDS IN SECTION 23,	:	DOCKET NO. 84-028
TOWNSHIP 20 SOUTH, RANGE 23	:	CAUSE NO. 102-57
EAST, IN THE CISCO SPRINGS FIELD	:	
GRAND COUNTY, UTAH	:	

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PURSUANT TO THE PETITION of Ambra Oil and Gas Company, this Cause came on for Hearing before a Hearing Examiner appointed by the Board of Oil, Gas and Mining at 2:00 p.m. on Monday, May 7, 1984, in the Conference Room of the Division of Facilities, Construction and Management, 4241 State Office Building, Salt Lake City, Utah.

The following staff members were present for the proceedings:

Ronald J. Firth, Hearing Examiner
Marjorie L. Larson, Secretary of the Board
Janice L. Brown, Secretary of the Associate Director, Oil and Gas

Appearances were made as follows:

For the Petitioner: Robert G. Pruitt, Jr., Attorney
Jay Mealey, Vice President, Land

For Willard Pease
Oil and Gas Co.: Willard H. Pease, President
Willard H. Pease, Jr., Executive Vice President

Petitioner introduced testimony and exhibits in support of its Petition, and questions were addressed to the Petitioner's witnesses by the Hearing Examiner. A letter was submitted and statements were introduced in opposition of the Petition by all others present, whose appearances are noted above.

FINDINGS AND CONCLUSIONS

The Hearing Examiner considered the testimony and statements presented and the exhibits received at said hearing, and being fully advised in the premises, made and entered on May 11, 1984:

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law.

2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order in this matter.

3. The Board has previously entered its Findings and Order in Cause No. 102-16B, amending Field Rule 2-2 for the Seiber-Cisco Nose Area, Grand County, Utah, to provide that wells drilled for oil and/or gas shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary line of any legal subdivision comprising the governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, nor less than 1,320 feet from any gas well, unless otherwise specifically authorized by the Board after notice and hearing.

4. Said Field Rule 2-2, as amended, governs well spacing in all of Section 23, Township 20 South, Range 23 East, S.L.M.

5. All available geological data concerning the area indicates that exception locations are necessary to enhance the possibility of economic hydrocarbon production and thereby prevent physical waste of the resource.

6. Therefore, in order to promote the efficient and orderly development of oil and associated gas, to prevent waste of oil and gas by maximizing the ultimate recovery of hydrocarbons underlying these lands, and to protect correlative rights, an exception to the Order issued in Cause No. 102-16B should be granted so as to permit:

- a) The drilling of the Inland Fuels 23-16 well, located 2600 feet FWL and 1570 feet FNL of Section 23.
- b) The drilling of the TXO 23-1B well, located 2280 feet FWL and 960 feet FNL of Section 23.
- c) The drilling of the TXO 23-1C well, located 2100 feet FWL and 250 feet FNL of Section 23.

- d) The drilling of the TXO 23-1D well, located 2380 feet FWL and 580 feet FNL of Section 23.

7. Further, the Petitioner's request that the Board's Order in Cause No. 102-16B should be amended to provide for administrative approval of future exceptions to Field Rule 2-2 without the necessity of a formal hearing before the Board of Oil, Gas and Mining, was not considered by the Hearing Examiner as a part of these proceedings and makes no finding in that regard.

8. In addition, the opposing parties were informed by the Hearing Examiner that the provision of the Order of Cause No. 102-16B whereby, "Whenever an exception is granted by the Board, the Board may, at any time thereafter, take such action as will offset any advantage which the person securing the exception may obtain over the other producers in the area covered by Field Rule 1-2," is available and could be applied if the parties considered that correlative rights are being violated.

ORDER

NOW, THEREFORE, the Board, in accordance with the Findings and Conclusions of the Hearing Examiner and the exhibits received at the hearing, and being fully advised in the premises, now makes and enters the following Order:

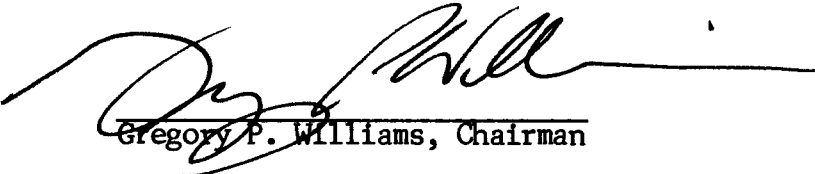
1. That an exception to the provisions of the Order in Cause No. 102-16B be granted so as to permit:

- a) The drilling of the Inland Fuels 23-16 well, located 2600 feet FWL and 1570 feet FNL of Section 23.
- b) The drilling of the TXO 23-1B well, located 2280 feet FWL and 960 feet FNL of Section 23.
- c) The drilling of the TXO 23-1C well, located 2100 feet FWL and 250 feet FNL of Section 23.
- d) The drilling of the TXO 23-1D well, located 2380 feet FWL and 580 feet FNL of Section 23.

2. The Petitioner's request that the Board's Order in Cause No. 102-16B be amended to provide for administrative approval of future exceptions to Field Rule 2-2 without the necessity of a formal hearing before the Board of Oil, Gas and Mining is denied, due to the lack of proper noticing of hearing to all interested and affected parties.

DATED this 24th day of May, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING



Gregory P. Williams, Chairman

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

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EXCEPTION WELL LOCATIONS FOR	:	
CERTAIN LANDS IN SECTION 23,	:	DOCKET NO. 84-028
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EAST, IN THE CISCO SPRINGS FIELD	:	
GRAND COUNTY, UTAH	:	

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PURSUANT TO THE APPLICATION of Ambra Oil and Gas Company, this Cause came on for Hearing before a Hearing Examiner appointed by the Board of Oil, Gas and Mining at 2:00 p.m. on Monday, May 7, 1984, in the Conference Room of the Division of Facilities, Construction and Management, 4241 State Office Building, Salt Lake City, Utah.

The following staff members were present for the proceedings:

Ronald J. Firth, Hearing Examiner
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Petitioner introduced testimony and exhibits in support of its Petition, and questions were addressed to the Petitioner's witnesses by the Hearing Examiner. A letter was submitted and statements were introduced in opposition of the Petition by all others present, whose appearances are noted above.

NOW THEREFORE, the Hearing Examiner having considered the testimony and statements presented and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS AND CONCLUSIONS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law.

2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order in this matter.

3. The Board has previously entered its Findings and Order in Cause No. 102-16B, amending Field Rule 2-2 for the Seiber-Cisco Nose Area, Grand County, Utah, to provide that wells drilled for oil and/or gas shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary line of any legal subdivision comprising the governmental quarter-quarter section or equivalent lot or lots of comparable size and location, and not less than 400 feet from any oil well, nor less than 1,320 feet from any gas well, unless otherwise specifically authorized by the Board after notice and hearing.

4. Said Field Rule 2-2, as amended, governs well spacing in all of Section 23, Township 20 South, Range 23 East, S.L.M.

5. All available geological data concerning the area indicates that exception locations are necessary to enhance the possibility of economic hydrocarbon production and thereby prevent physical waste of the resource.

6. Therefore, in order to promote the efficient and orderly development of oil and associated gas, to prevent waste of oil and gas by maximizing the ultimate recovery of hydrocarbons underlying these lands, and to protect correlative rights, an exception to the Order issued in Cause No. 102-16B should be granted so as to permit:

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- d) The drilling of the TXO 23-1D well, located 2380 feet FWL and 580 feet FNL of Section 23.

7. Further, the Petitioner's request that the Board's Order in Cause No. 102-16B should be amended to provide for administrative approval of future exceptions to Field Rule 2-2 without the necessity of a formal hearing before the Board of Oil, Gas and Mining, was not considered by the Hearing Examiner as a part of these proceedings and makes no finding in that regard.

8. In addition, the opposing parties were informed by the Hearing Examiner that the provision of the Order of Cause No. 102-16B whereby, "Whenever an exception is granted by the Board, the Board may, at any time thereafter, take such action as will offset any advantage which the person securing the exception may obtain over the other producers in the area covered by Field Rule 1-2," was available and could be applied if the parties considered that correlative rights are being violated.

9. That pursuant to the foregoing Findings and Conclusions, and being advised in the premises by the Hearing Examiner, the Board has sufficient evidence available to promulgate an appropriate Order in this matter.

Dated this 11th day of May, 1984.

HEARING EXAMINER



Ronald J. Firth