

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

-----  
IN THE MATTER OF TXO PRODUCTION CORPORATION FOR AN ORDER APPROVING LOCATION OF APPLICANT'S QUARTZ STATE A-NO. 1 WELL AS AN EXCEPTION TO THE LOCATIONS PRESCRIBED BY THIS BOARD'S ORDER ENTERED IN CAUSE NO. 102-16B AND LOCATED IN THE SE1/4 NW1/4 SECTION 2, TOWNSHIP 20 SOUTH, RANGE 21 EAST S.L.M., GRAND COUNTY, UTAH, AND TO AMEND THE ORDER ENTERED IN CAUSE NO. 102-16B.

\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*  
\*

ORDER

Docket No. 84-032  
Cause No. 102-58

-----  
Pursuant to the Application of TXO Production Corporation, this cause came on for hearing before the Board of Oil, Gas & Mining, Department of Natural Resources and Energy, State of Utah, on Thursday, May 24, 1984, at 10 o'clock a.m. in the auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah. The following board members were present: Gregory P. Williams, Chairman, Richard B. Larsen, John M. Garr, Steele McIntyre, Constance K. Lundberg, James W. Carter, Charles Henderson.

Appearances were made as follows: for TXO Production Corporation (Applicant) Hugh C. Garner, Esq., 310 South Main, Suite 1400, Salt Lake City, Utah 84101.

FINDINGS

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:

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, including personal service of a Notice of Hearing upon all parties having an interest in the tracts of land contiguous to and cornering upon the subject lease as listed in Exhibit "A" of the Application.

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. The Board has previously entered its Order in Cause No. 102-16B, which amended Field Rule 2-2 to read:

All wells drilled for the discovery of oil and/or gas which are not within a pool, reservoir or field for which drilling units have been established or for which a petition for establishment of a drilling unit has been filed, shall be located not less than 500 feet from any property or lease line and not less than 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter section . . . unless otherwise specifically authorized by the Board after notice of hearing.

4. All available geologic, topographic and economic data concerning the area indicates:

(a) The original permitted location is in a saddle on bedrock at the immediate base of a cliff. Site preparation would require extensive blasting and/or use of heavy

equipment, and would require a new access road be built across rough bedrock terrain, resulting in extensive surface disturbance and economic waste. Total costs at the original location are estimated to be approximately \$100,000.

(b)

The exception location is in relatively flat alluvium, at a significant distance from the cliff. Site preparation would require little or no blasting and minimal use of heavy equipment. Existing roads would be utilized for the most part to gain access to the site. Total costs at the exception location are estimated to be approximately \$10,000. Geologic evidence indicates that the exception location is well situated to maximize production from the Upper Jurassic Morrison sands, the primary objective, and possibly also from the Cretaceous Dakota sands, the secondary objective.

Therefore, the only practicable and economical location for a well in the NW1/4 of Section 2 is at a point 1,629 feet from the North line and 1,386 feet from the West line of said section, which point is within 500 feet of the South line of the subject lease and within 200 feet of the West line of the SE1/4 of the NW1/4, Section 2, because said location results in less surface disturbance, less total cost, maximizes potential production, protects

correlative rights, and prevents the drilling of unnecessary wells. 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:

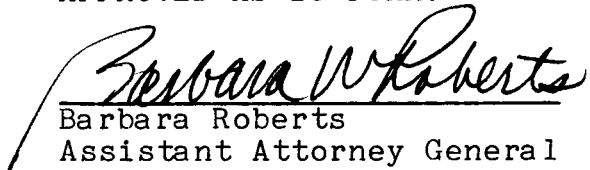
Based upon the problems of geology and topography of the area, the difference in cost between the original permitted location and the exception location, and to protect correlative rights, avoid waste, and prevent the drilling of unnecessary wells, the permitted location for the Quartz State A-No. 1 Well within the NW1/4 of Section 2, Township 20 South, Range 21 East, S.L.M. shall be at a point 1,629 feet from the North line and 1,386 feet from the West line of said section.

DATED this 22<sup>nd</sup> day of June, 1984.

BOARD OF OIL, GAS & MINING  
OF THE STATE OF UTAH

  
\_\_\_\_\_  
Gregory P. Williams, Chairman

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Barbara Roberts  
Assistant Attorney General



**FINDINGS**

1. Applicant has applied to the Board for an exception to the provisions of the Order entered on Cause No. 102-16B.
2. Applicant is required to personally serve a copy of the Application and Notice of Hearing on all persons whose property interests may be affected by the application.
3. Texoma Production Company owns a 50% leasehold interest in a tract of land contiguous with the tract involved in the exception application.
4. Texoma is a corporation having no officer or other agent upon whom process can be served in the State of Utah.
5. Attempts to obtain personal service in Utah would be to no avail.
6. Texoma's current address is:  
  
Box 90996  
110 Cypress Station  
Houston, TX 77090
7. Service by certified mail is just as likely to give actual notice as service by publication.


**ORDER**

IT IS HEREBY ORDERED:

1. TXO Production Company's Petition to allow service by certified mail on Texoma Production Company is hereby granted.

DATED this 12<sup>th</sup> day of April, 1984.

STATE OF UTAH BOARD OF  
OIL, GAS & MINING

  
\_\_\_\_\_  
Gregory P. Williams, Chairman