

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

IN THE MATTER OF THE PETITION) OF LOMAX EXPLORATION COMPANY) FOR 320-ACRE DRILLING AND) SPACING UNITS FOR THE WASATCH) FORMATION IN THE DUCHESNE) FIELD, DUCHESNE COUNTY, UTAH)) FINDINGS AND ORDER)) DOCKET NO. 86-033) CAUSE NO. 139-54)
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This case was heard by the Board of Oil, Gas and Mining on December 4, 1986 at 10:00 a.m. in the Board Room of the Division of Oil, Gas and Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. Present and participating were the following Board members:

Gregory P. Williams, Chairman
E. Steele McIntyre
Charles R. Henderson
Judy F. Lever
James W. Carter
Richard B. Larsen
John M. Garr

Representing the Division of Oil, Gas and Mining were Dr. Dianne R. Nielson, Director; Ronald Firth, Associate Director for Oil and Gas; John Baza, Petroleum Engineer; and Barbara W. Roberts, Assistant Attorney General. Mark C. Moench, Assistant Attorney General, represented the Board. Also present were Robert Hendricks and Assad Raffoul, representing the Utah State Office of the U.S. Bureau of Land Management; Allan McKee, representing the Vernal District Office of BLM; Ken Young, Petroleum Engineer, representing the U.S. Bureau of Indian Affairs; Wes Pettingill, Geologist, representing the Ute Indian Tribe; Brad Simpson, representing Utah State Tax Commission; and Doug Johnson, representing the Utah Division of State Lands and Forestry. Appearing on behalf of Lomax Exploration Company were John D. Steuble, Production Manager, Jean Scates, Landman, David Taff, Geologist, and Robert G. Pruitt, Jr., Attorney.

Letters were received and read into the record from Chevron USA Inc. (successor to Gulf Oil Corporation by merger) supporting the Petition and specifically approving exclusion of the Gulf No. 1 Well in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ of Section 9, and from the Ute Indian Tribe supporting the Petition.

Mrs. Scates testified regarding the land situation, the 1983 Agreement between Gulf and the Tribe, and the farmout agreement from Gulf to Lomax Exploration Company. Mr. Taff

testified on the geology and reservoir conditions, and Mr. Steuble testified on the reservoir testing of existing wells. No objections were made to the testimony or to the Petition.

The Board, having considered the testimony, exhibits and communications received at the hearing, and being fully advised in the premises, now enters the following:

FINDINGS AND ORDER

1. Due and proper notice of the time, place and purpose of the hearing has been given to all parties entitled by law and the rules of the Board to such notice.

2. The Board has proper jurisdiction over the parties and the subject matter, and is authorized to enter this Order.

3. The upper Wasatch formation, defined as being the interval from the top of the Wasatch formation (identified as being at a depth of 7,414 feet in the Lomax No. 10-9 well) down to the base of a calcareous shale marker (at 8420 feet depth in the Lomax 10-9 well), constitutes a productive oil and gas reservoir approximately 1000 feet thick for purposes of establishing drilling and spacing units for the following lands:

Township 4 South, Range 4 West, USM

Section 7:	All
Section 8:	All
Section 9:	SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 10:	S $\frac{1}{2}$
Section 15:	N $\frac{1}{2}$
Section 16:	All
Section 17:	All
Section 18:	All


4. Drilling and spacing units of 320 acres, comprising the N $\frac{1}{2}$ and S $\frac{1}{2}$ of the respective sections, are the most appropriate in size to the reservoir conditions in the upper Wasatch formation. An exception is the unit in Section 9 comprising the SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$ of Section 9, containing 280 acres.

5. The Board therefore establishes 320-acre drilling and spacing units, comprising the N $\frac{1}{2}$ and S $\frac{1}{2}$ respectively of the surveyed government sections, for the upper Wasatch formation underlying the lands described in paragraph 3 hereof, except the unit in Section 9 shall be 280 acres in size comprising the SE $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$ and S $\frac{1}{2}$ SW $\frac{1}{4}$ of said Section 9. The authorized and permitted location for a unit well shall be (a) within the NW $\frac{1}{4}$ of each unit comprising the N $\frac{1}{2}$ of a section, or (b) within the SE $\frac{1}{4}$ of each unit comprising the S $\frac{1}{2}$ of a section, provided that such unit well shall not be closer than 400 feet from its

respective quarter section boundary, except as may be otherwise permitted by administrative action for topographic or geological reasons. The designated unit well for the unit lying in the S $\frac{1}{2}$ of Section 9 shall be the Lomax No. 10-9 well situated in the NW $\frac{1}{4}$ SE $\frac{1}{4}$, and the designated unit well for the N $\frac{1}{2}$ of Section 18 shall be the Lomax No. 4-18 well situated in the NW $\frac{1}{4}$ NW $\frac{1}{4}$.

DATED this 4th day of December, 1986.

UTAH BOARD OF OIL, GAS AND MINING


Gregory F. Williams, Chairman

APPROVED AS TO FORM:


Mark C. Moench
Assistant Attorney General