

**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 THE PETITION *
OF TXO PRODUCTION CORPORATION *
FOR AN ORDER EXTENDING DRILLING *
AND SPACING UNITS AS ESTABLISHED *
BY THIS BOARD'S ORDER IN CAUSE *
NO. 145-2 TO THE UINTAH *
FORMATIONS UNDERLYING SECTION 4, *
TOWNSHIP 7 SOUTH, RANGE 21 EAST, *
S.L.M., UINTAH COUNTY, UTAH. *

FINDINGS AND ORDER

Docket No. 84-060
Cause No. 145-3

Pursuant to the Petition of TXO Production Corp., this cause came on for hearing before the Board of Oil, Gas & Mining, Department of Natural Resources, State of Utah, on Thursday, October 25, 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,
E. Steele McIntyre,
Constance K. Lundberg,
James W. Carter,
Charles R. Henderson.

Appearances were made as follows: for TXO Production Corp. (Petitioner), Thomas A. Mitchell of Hugh C. Garner & Associates, 310

South Main, Suite 1400, Salt Lake City, Utah 84101; for Alta Energy Corp., Nicholas F. McKean, 8 East Broadway #610, Salt Lake City, Utah 84101.

Also in attendance were Dr. Dianne Nielson, Director, Ronald J. Firth, Associate Director, Oil & Gas, and John R. Baza, Petroleum Engineer. Representing the Board was David S. Christensen, Esq., Assistant Attorney General. Representing the Division was Barbara W. Roberts, Esq., Assistant Attorney General.

The following witnesses were called by Petitioner TXO Production Corporation: Ricky Joe Taylor, geologist; John Harja, attorney at law.

NOW, THEREFORE, the Board having considered the testimony adduced and the exhibits reviewed in said hearing, and being fully advised to the premises of the parties, now makes and enters the following:

FINDINGS

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 listed in Exhibit "A" of the Petition.

2. The Board has jurisdiction over the subject matter of said Petition and over all parties interested therein and has jurisdiction to make and promulgate the order hereinafter set forth.

3. The Board has previously entered an Order in Cause No. 145-2 which established the Horseshoe Bend Spaced Area immediately to the East of the above described lands. Said Order provides for lay-down 320 acre drilling and spacing units (north half and south half of each section), and provides that no more than one gas well shall be drilled and produced from the Uintah formation on any such unit. Said Order further provides that well locations shall be established within the units not less than 1,000 feet from the north line and 1,000 feet from the east line of the NE1/4 and not less than 1,000 feet from the south line and 1,000 feet from the west line of the SW1/4 of each section. Said Order further provides for administrative approval of well exception locations for topographical and/or structural reasons.

4. Geologic evidence indicates the oil and gas producing geologic structures which underlie the Horseshoe Bend Spaced Area also underlie the above described lands. Specifically the Uintah formation is believed to underlie the subject land. Said evidence was tendered solely for purposes of this Petition, and is limited to the Uintah formation underlying said Section 4.

5. Petitioner proposes to drill two wells into the Uintah formation in Section 4; the Stirrup Federal No. 1 in the SW1/4 NE1/4,

and the Horseshoe Federal No. 1 in the center of the SW1/4.

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:

1. The provisions of the Order issued in Cause No. 145-2 are extended to cover Section 4, Township 7 South, Range 21 East, S.L.M., Uintah County, Utah.
2. The 320 acre drilling units for the Uintah formation in said Section 4 will be the N1/2 and S1/2 of the section.
3. The permitted well locations for wells drilled in each drilling unit are to be located not less than 1,000 feet from each of the north and east lines of the NE1/4 and not less than 1,000 feet from each of the south and west lines of the SW1/4 of said Section 4. No well is to be located closer than 2,500 feet from a producing well in the adjacent areas.
4. Petitioner's proposed Stirrup Federal No. 1 well located in the SW1/4 NE1/4 of said Section 4, and the Horseshoe Federal No. 1 well located in the center of the SW1/4 of said Section 4 shall be the


designated unit wells for each of the above drilling units.

DATED this 7th day of December, 1984.

STATE OF UTAH
BOARD OF OIL, GAS & MINING


Gregory P. Williams, Chairman

Approved as to form:


David S. Christensen
Assistant Attorney General