

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

IN THE MATTER OF THE APPLICATION OF TEXAS
OIL & GAS CORP., FOR AN ORDER EXTENDING
DRILLING AND SPACING UNITS AS ESTABLISHED
UNDER THIS BOARD'S ORDER IN CAUSE NO. 149-1
FOR THE CASTLEGATE MEMBER OF THE MESA VERDE
FORMATION, THE BRUSHY BASIN MEMBER OF THE
MORRISON FORMATION, THE SALT WASH MEMBER OF
THE MORRISON FORMATION, THE DAKOTA, CEDAR
MOUNTAIN AND ENTRADA FORMATIONS, UNDERLYING
SECTIONS 33, 34 and 35, TOWNSHIP 16 SOUTH,
RANGE 25 EAST, S.L.M. GRAND COUNTY, UTAH.

ORDER
CAUSE NO. 149-2B

Pursuant to the application of Texas Oil and Gas Corp.,
this Cause came on for Hearing before the Board of Oil, Gas and
Mining, Department of Natural Resources, State of Utah on
Wednesday, March 26, 1980 in the Governor's Board Room, Second
floor, State Capital Building, Salt Lake City, Utah. The following
Board Members were present: Charles R. Henderson, Chairman,
presiding, John L. Bell, Thadis W. Box, Ray C. Juvelin, Steele
McIntyre, Edward T. Beck.

The following staff members of the Board were present:
Cleon B. Fight, Director; Mike Minder, Petroleum Engineer; Denise
Dragoo, Special Assistant Attorney General.

Appearances were made as follows: for Texas Oil and Gas
Corp., ("the Applicant") Hugh C. Garner, Esq., 580 Kennecott Building,
Salt Lake City, Utah 84133; for Northwest Pipeline Company, Larry L.
Waggoner, Esq., 315 East 200 South, Salt Lake City, Utah 84111.

FINDINGS

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

1. In pursuance to the application of G.W. Anderson
this Board issued its order in Cause No. 149-1 under date of
March 14, 1973 establishing drilling units of uniform size and
shape with respect to certain lands therein more particularly

described situate in Townships 15½ and 16, Ranges 24 and 25 East, S.L.M.

2. Said Order provided for drilling units of between 280 and 320 surface acres, according to the government survey, for said lands, and included in said lands the Dakota, Morrison, Salt Wash, Cedar Mountain, Entrada, Buckhorn formations and the Castlegate member of the Mesa Verde group.

3. The applicant has applied for an Order extending drilling and spacing units as established under this Board's Order in said Cause No. 149-1 for said formations underlying Sections 33, 34 and 35 of Township 16 South, Range 35 East, S.L.M., Grand County, Utah.

4. Counsel for Northwest Pipeling Company, at the time of said Hearing, moved to extend said application to include all of Section 32, Township and Range as aforesaid. Inasmuch as said motion had not been timely made for inclusion within the application being considered, the Board, on its own Motion, directed that said application could be extended under a Show Cause Order and, in the absence of objection, would be acted upon at the next duly convened Hearing of the Board.

5. Sufficient evidence now being available on which to reach a decision, the Board issues the following:

ORDER

IT IS HEREBY ORDERED BY THIS BOARD AS FOLLOWS:

To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drilling units/zones of uniform size and shape, the Board hereby extends its Order heretofore entered in Cause No. 149-1 and Orders and Decrees as follows:

With respect to Section 33, Township 16 South, Range 25 East, S.L.M., a well shall be permitted for drilling in each unit to provide for two 320 acre and spacing units running North-South or East-West comprising the N½ and S½ or E½ and W½ of said section, as the case may be, for the Dakota, Cedar Mountain, Castlegate and Morrison formations underlying said drilling and spacing units.

With respect to said Section 34, the Arco Federal D-1

well is hereby designated as the drilling unit well for the 320 acres comprising the E½ of said section for said formations; the W½ of said section is hereby designated as the remaining unit therein for said formations.

With respect to said Section 35, the Arco Fed. C-1 well is hereby designated as the drilling unit well for that zone comprising the NW¼, W½NE¼, SE¼NE¼ for said formations, with the S½ of said section comprising the drilling and spacing unit for the remainder of the lands within said Section for said formations.

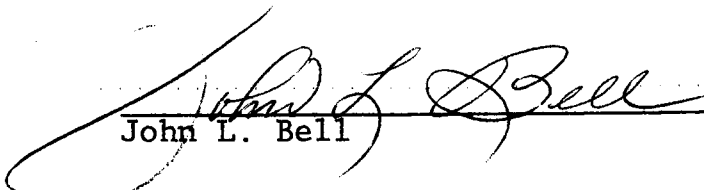
A well shall be permitted on each of such units (as to which there is not presently a well drilled) to be located not nearer than 1,000 feet from the spacing unit boundary with a 500 foot tolerance, to be granted administratively, for geological and/or topographical exceptions; and no closer than 2,500 feet from a producing well in the adjacent area, and that a 500 foot tolerance is hereby permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

DATED this 26th day of March, 1980.

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

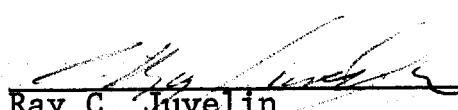


Charles R. Henderson, Chairman



John L. Bell

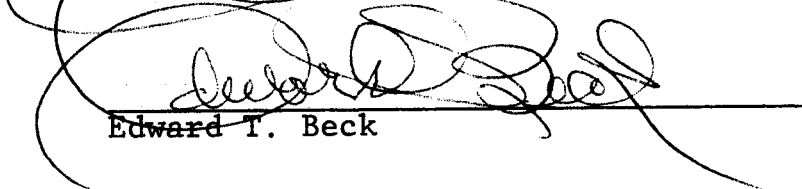
Thadis W. Box



Ray C. Juvelin



Steele McIntyre



Edward T. Beck

EXHIBIT "B"

SURROUNDING TRACTS

<u>Lease</u>	<u>Lessee of Record</u>	<u>Lands Covered</u>
ML-34629	Northwest Exploration Company One Park Central Suite 1487 Denver, Colorado 80202 (50% leasehold interest) Amarex, Inc. P.O. Box 1678 Oklahoma City, Oklahoma (50% leasehold interest)	<u>T.16S., R.25E., S.L.M.</u> Sec. 32...All
U-34033	Texas Oil & Gas Corp. 2700 Fidelity Union Tower Dallas, Texas 75201	<u>T.16S., R.25E., S.L.M.</u> Sec. 29: NE $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ NE $\frac{1}{4}$, S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$
U-13653	Celeste C. Grynberg 750 Petroleum Club Building Denver, Colorado 80202	<u>T.16S., R.25E., S.L.M.</u> Sec. 28: S $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$, NW $\frac{1}{4}$ SE $\frac{1}{4}$
U-29645	Atlantic Richfield Co. 1860 Lincoln Street Suite 501 Denver, Colorado 80203	<u>T.16S., R.25E., S.L.M.</u> Sec. 27: S $\frac{1}{2}$ S $\frac{1}{2}$, N $\frac{1}{2}$ SW $\frac{1}{4}$
U-025243A	Sinclair Oil Corporation P. O. Box 521 Tulsa, Oklahoma	<u>T.16S., R.25E., S.L.M.</u> Sec. 26: SW $\frac{1}{4}$ SW $\frac{1}{4}$
U-03679	Sinclair Oil Corporation P.O. Box 521 Tulsa, Oklahoma	<u>T.16S., R.25E., S.L.M.</u> Sec. 26: N $\frac{1}{2}$ S $\frac{1}{2}$, SE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$, SE $\frac{1}{4}$ Sec. 25: N $\frac{1}{2}$, SW $\frac{1}{4}$
ML-4668	Texas Pacific Oil Company, Inc. 1700 One Main Plaza Dallas, Texas 75250	<u>T.16S., R.25E., S.L.M.</u> Sec 36: N $\frac{1}{2}$
ML-4668A	Texas Pacific Oil Company, Inc. 1700 One Main Plaza Dallas, Texas 75250	<u>T.16S., R.25E., S.L.M.</u> Sec. 36 S $\frac{1}{2}$
ML-4186	Burton W. Hancock 1799 Hamilton Avenue San Jose, California 95125 Albert H. Kelson Don R. Bradshaw Edwin A. Peay Erschel F. Smith Henry C. Goodman F. J. Bradshaw Merit N. & Carol E. Hancock James E. & Lorrain G. Wade	<u>T.17S., R.25E., S.L.M.</u> Sec. 2: Lots 1-4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

U-040430	CRA, Inc. P.O. Box 7305 Kansas City, Missouri 64116	<u>T.17S., R.25E., S.L.M.</u> Sec 3: Lots 1&2, S½NE¼
U-05003	Burton W. Hancock 1799 Hamilton Ave. San Jose, California 95125 (86.86262%) American Ins. & Inv. Corp. (2.00000%) Henry C. Goodman (4.16660%) Edwin A. Peay (4.16670%) F. J. Bradshaw (2.80408%)	<u>T.17S., R.25E., S.L.M.</u> Sec. 3: Lot 3
U-05079	Burton W. Hancock 1799 Hamilton Ave. San Jose, California 95125 (85.4737%) American Ins. & Inv. Corp. (2.00000%) Henry C. Goodman (2.77778%) Edwin A. Peay (2.77778%) F. J. Brahshaw (2.80408%) Estate of E.R. Myles (4.16666%)	<u>T.17S., R.25E., S.L.M.</u> Sec.3: NW¼NW¼ Sec.4: Lots 1-4, S½N½,
U-36456	Reed Gilmore P.O. Box 57 Kimball, N.E. 69145	<u>T.17S., R.25E., S.L.M.</u> Sec 5: Lots 1-4

TRACTS TO BE SPACED

<u>Lease</u>	<u>Lessee of Record</u>	<u>Lands Covered</u>
U-36646 (Lease Application)	Cliff Mezey 115 South LaSalle Street Room 2435 Chicago, Ill. 60603	<u>T.16S., R.25E. S.L.M.</u> Sec. 33: N½, SW¼NW¼, SW¼NE¼
U-28935	Celeste C. Grynberg 1050 17th Street Suite 1950 Denver, Colorado 80202	<u>T.17S., R.25E. S.L.M.</u> Sec. 33: SE¼NW¼, SE¼NE¼, N½S½, SE¼SW¼, S½SE¼
U-24632	Altex Oil Corp. P.O. Box 666 Vernal Utah 84070 (50% interest) Sam H. Bennion P.O. Box 2436 Idaho Falls, Idaho 83401 (50% interest)	<u>T.16S., R.25E., S.L.M.</u> Sec. 33: SW¼SW¼, Sec. 34: SE¼SE¼, Sec. 35: SW¼SE¼

U-34033	Texas Oil & Gas Corp. 2700 Fidelity Union Tower Dallas, Texas 75201	<u>T.16S., R.25E., S.L.M.</u> Sec.34: NW $\frac{1}{4}$ NW $\frac{1}{4}$, NW $\frac{1}{4}$ SW $\frac{1}{4}$, Sec.35: SE $\frac{1}{4}$ SE $\frac{1}{4}$
U-38276	Texas Oil & Gas Corp. 2700 Fidelity Union Tower Dallas, Texas 75201	<u>T.16S., R.25E., S.L.M.</u> Sec.34: S $\frac{1}{2}$ NW $\frac{1}{4}$, NE $\frac{1}{4}$ SW $\frac{1}{4}$, S $\frac{1}{2}$ SW $\frac{1}{4}$, W $\frac{1}{2}$ SE $\frac{1}{4}$ Sec.35: S $\frac{1}{2}$ SW $\frac{1}{4}$
U-06188B	Atlantic Richfield Company P.O. Box 2819 Dallas, Texas 75221	<u>T.16S., R.25E., S.L.M.</u> Sec. 35: N $\frac{1}{2}$
U-383368	Jack J. Grynberg 1050 17th Street Suite 1950 Denver, Colorado 80265	<u>T.16S., R.25E., S.L.M.</u> Sec. 35: N $\frac{1}{2}$ S $\frac{1}{2}$