

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

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IN THE MATTER OF THE APPLICATION \*  
OF TEXAS OIL & GAS CORPORATION \*  
FOR AN ORDER ESTABLISHING \*  
DRILLING AND SPACING UNITS 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 \*  
SECTION 25 OF TOWNSHIP 16 SOUTH, \*  
RANGE 24 EAST, S.L.M., ~~UNTAH~~ \*  
COUNTY, UTAH *Grand* \*

O R D E R

Cause No. 149-10

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Pursuant to the application of Texas Oil & Gas Corporation, this Cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Wednesday, July 22, 1981, at 9:00 A.M., in the Wildlife Resources Auditorium, 1598 West North Temple, Salt Lake City, Utah. The following Board members were present:

Charles R. Henderson, Chairman, presiding  
John L Bell  
Margaret Bird  
Robert R. Norman  
Herm Olsen

Appearances were made as follows: for Texas Oil and Gas Corporation (the applicant), Hugh C. Garner, Esq., 1100 Kennecott Building Salt Lake City, Utah, 84133.

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:

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 this Board.
2. The Board has jurisdiction over the matter covered by said Application and over all interested parties and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. In pursuance of 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 as being situate in Townships 15-1/2 and 16 South, Ranges 24 and 25 East, S.L.M.

4. 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 and Buckhorn Formations and the Castlegate Member of the Mesa Verda Group.

5. The applicant has applied for an Order extending drilling and spacing units established under this Board's Order in said Cause No. 149-1 for said formations underlying Section 25 of Township 16 South, Range 24 East, S.L.M., Uintah County, Utah.

6. The applicant, on its own motion, has requested that its application be modified to the extent of deleting therefrom paragraphs (5), (6) and (7), substituting therefor the provision that the permitted well for each drilling unit should be located not less than 500 feet in any direction from the unit boundary and not less than 2000 feet from any gas well which is produceable from the same sand interval or zone; provided that an exception to said location may be granted without a hearing where a topographical exception is deemed necessary which substituted language conforms with the Order entered in Cause No 149-1.

Sufficient evidence now being available upon which to reach a decision, the Board issued 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 of uniform size and shape, the Board hereby extends its Order heretofore entered in Cause No. 149-1 and orders and decrees as follows:

As to Section 25, Township 16 South, Range 24 East, S.L.M., wells shall be permitted for drilling in said Section to provide for

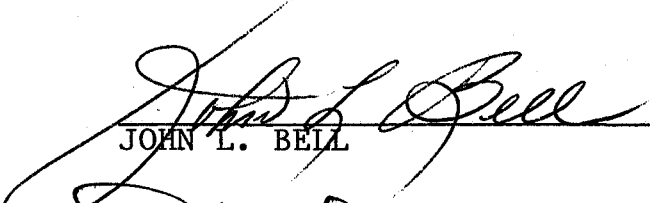
two 320 acre spacing units running either north/south or east/west, comprising the E1/2 and W1/2 or the N1/2 and S1/2, of said section, respectively, at the option of the operator, for the Dakota, Cedar Mountain, Entrada, Buckhorn, Castlegate and Morrison Formations and the Castlegate member of the Mesa Verde Group underlying said drilling and spacing units.

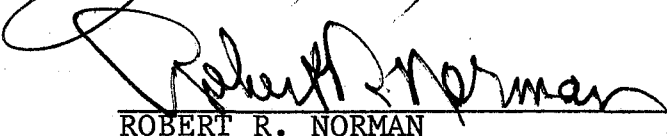
The permitted well for each drilling unit shall be located no closer than 500 feet from the drilling unit boundary and no closer than 2,000 feet from any other gas well which is produceable from the same sand interval or zone, provided that an exception to said location may be granted without a hearing, where topographical exception is deemed necessary.

DATED this 22nd day of July, 1981.

BOARD OF OIL, GAS AND MINING  
STATE OF UTAH

  
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CHARLES R. HENDERSON, Chairman

  
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JOHN L. BELL

  
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ROBERT R. NORMAN

  
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MARGARET BIRD

  
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HERM OLSEN