

Hugh C. Garner  
James W. Carter  
HUGH C. GARNER & ASSOCIATES, P.C.  
310 South Main Street  
Suite 1400  
Salt Lake City, Utah 84101  
Telephone: (801) 532-5660

**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 TXO PRODUCTION	*	
CORPORATION FOR AN ORDER	*	O R D E R
APPROVING A PROPOSED TEST	*	
WELL FOR THE DAKOTA AND	*	
MORRISON FORMATIONS	*	Cause No. 149-15
UNDERLYING SECTION 28,	*	
TOWNSHIP 16 SOUTH, RANGE	*	
25 EAST, S.L.M., GRAND	*	
COUNTY, UTAH.	*	

-----

Pursuant to the application of TXO Production Corp., this cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Tuesday, November 30, 1982 at 10:00 A.M. in Room 426 of the State Capitol Building, Salt Lake City, Utah. The following Board members were present:

Herm Olson, Presiding  
Margaret Bird  
E. Steele McIntyre  
John L. Bell  
Robert R. Norman  
Edward T. Beck

Appearances were made as follows: For TXO Production Corp. (Applicant) James W. Carter, Esq. 310 South Main Street, Suite 1400, Salt Lake City, Utah 84101; for Beartooth Oil and Gas Company, Keith E. Taylor, Esq., 185 South State Street, Salt Lake City, Utah 84147.

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 the Board.

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. This Board has previously entered its Order in Cause No. 149-1 establishing 320-acre drilling and spacing units for the Dakota and Morrison Formations underlying Section 28 and others of Township 16 South, Range 25 East, S.L.M.

4. The drilling unit well for the drilling unit comprising the E1/2 of Section 28, township and range as aforesaid is currently the NICOR Federal No. 1 Well.

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. In the interests of the prevention of physical waste of oil, gas and associated hydrocarbons, and the achievement of the greatest ultimate recovery thereof, the Board hereby authorizes the drilling and completion of a test well to be located in the Southeast quarter of Section 28, T16S, R25E, and authorizes production from said test well for a period not to exceed 90 days in order to evaluate the well.

2. Production from the NICOR Federal No. 1 Well shall be discontinued during the testing period.

3. Production from said test well shall be allowed only from strata or intervals which lie within the unit boundary and well to well distance requirements established by the Board in its order entered in Cause 149-1. All productive zones encountered outside the area of permissible well locations shall be cased and not produced by Applicant.

4. Applicant shall comply with all federal and state reporting requirements relating to directionally drilled wells, including the conducting and filing of a directional survey acceptable to the federal and state agencies involved.


5. Should any party seek reduction of the size of the drilling unit in the future, simultaneous production of the Nicor Federal No. 1 and Nicor Federal No. 2 wells shall be delayed for a reasonable period to afford other operators in the area the opportunity to drill offset wells on the approved spacing pattern.

6. At the completion of the testing period, Applicant shall shut in either the Nicor Federal No. 1 or No. 2 well and shall not produce from the so shut in well without further order of the Board.


DATED this 30th day of November, 1982.

BOARD OF OIL, GAS AND MINING  
State of Utah

  
HERM OLSON, Presiding

  
JOHN L. BELL

  
ROBERT R. NORMAN

  
MARGARET BIRD

  
E. STEELE MCINTYRE

\_\_\_\_\_  
EDWARD T. BECK