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**SECRETARY, BOARD OF
OIL, GAS & MINING**

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

IN THE MATTER OF THE REQUEST FOR AGENCY ACTION OF KERR-MCGEE OIL & GAS ONSHORE LP FOR AN ORDER MODIFYING THE BOARD'S ORDERS ENTERED IN CAUSE NOS. 179-11 AND 179-12 TO PROVIDE FOR THE DRILLING OF ADDITIONAL WELLS TO ACHIEVE THE EQUIVALENT OF AN APPROXIMATE 10-ACRE WELL DENSITY PATTERN FOR THE PRODUCTION OF GAS AND ASSOCIATED OIL AND HYDROCARBONS FROM THE WASATCH FORMATION AND MESAVERDE GROUP IN ALL OF SECTION 31, TOWNSHIP 9 SOUTH, RANGE 23 EAST, SLM, AND ALL OF SECTIONS 1-12, THE N½ OF SECTIONS 13 AND 14, AND ALL OF SECTIONS 15-18, TOWNSHIP 10 SOUTH, RANGE 23 EAST, SLM, UINTAH COUNTY, UTAH

**FINDINGS OF FACT,
CONCLUSIONS OF LAW AND
ORDER**

Docket No. 2008-011

Cause No. 179-14

This Cause came on for hearing before the Utah Board of Oil, Gas and Mining (the "Board") on Wednesday, May 21, 2008, at 10:00 a.m. in Roosevelt, Utah. The following Board members were present and participated at the hearing: Chairman Douglas E. Johnson, Kent R. Petersen, Robert J. Bayer, Samuel C. Quigley and Jake Y. Harouny. Board Members Jean Semborski and Ruland J. Gill, Jr. were unable to attend. The Board was represented by Michael S. Johnson, Esq., Assistant Attorney General.

Testifying on behalf of Petitioner Kerr-McGee Oil & Gas Onshore LP ("KMG") were Chris Latimer – Senior Landman, Robert Single – Geologist, and Scott Gamble – Senior Reservoir Engineer. Frederick M. MacDonald, Esq., of and for Beatty & Wozniak, P.C., appeared as attorney for KMG.

Testifying on behalf of the Division of Oil, Gas and Mining (the "Division") was Bradley G. Hill – Oil & Gas Permitting Manager. James P. Allen, Esq., Assistant Attorney General, appeared as attorney on behalf of the Division. The Division expressed its support for the granting of KMG's Request for Agency Action dated April 10, 2008 (the "Request") at the conclusion of its presentation, with KMG's stipulation that the requirements set forth in Utah Admin. Code Rule R649-3-11(3) would not be suspended and remain applicable. John R. Baza, the Division's Director, also made a statement to the Board stressing the significance of the Request for natural resource development in the Uintah Basin (it being the first formal request for 10-acre density), confirming the Division's position that the requested density appears will provide a good and efficient extraction of the gas resource, and clarifying that surface issues stemming from such a density pattern would be in the hands of the applicable surface agency having jurisdiction.

At the conclusion of KMG's and the Division's presentations, Matt Baker, Petroleum Engineer, Vernal District Office, United States Bureau of Land Management ("BLM"), expressed the BLM's support for the granting of the Request but indicated that the BLM would not support surface disturbance on less than 40 acres.

Questar Exploration and Production Company ("QEP"), 1995 Income Program Limited Liability Company ("95 IP") and EOG Resources, Inc. ("EOG"), all working interest/operating rights owners within the area affected by the Request, filed letters with the

Board in support of the granting of the Request.

No other party filed a response to the Request and no other party appeared or participated at the hearing.

The Board, having considered the testimony presented and the exhibits received into evidence at the hearing, being fully advised, and for good cause, hereby makes the following findings of fact, conclusions of law and order.

FINDINGS OF FACT

1. KMG is a Delaware limited partnership in good standing and authorized to conduct business in the State of Utah. It is duly bonded with all appropriate State of Utah and Federal agencies relative to this cause. KMG is the successor by name change to Westport Oil and Gas Company, L.P.

2. By Order entered October 24, 1978 in Cause No. 179-1 (the "179-1 Order"), the Board established 320-acre or substantial equivalent stand-up drilling units for the development and production of oil, gas and associated hydrocarbons "from the interval described as commencing at the surface down to the top of the Mancos formation," for the following Uintah County, Utah lands:

Township 10 South, Range 23 East, SLM

Section 1: Lots 1 (40.61), 2 (40.60), 3 (40.58)
and 4 (40.57), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
Section 2: Lots 1 (40.56), 2 (40.58), 3 (40.58)

- and 4 (40.60), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 3: Lots 1 (40.60), 2 (40.62), 3 (40.62)
and 4 (40.64), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 4: Lots 1 (40.64), 2 (40.63), 3 (40.63)
and 4 (40.62), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 5: Lots 1 (40.62), 2 (40.60), 3 (40.60)
and 4 (40.58), S $\frac{1}{2}$ N $\frac{1}{2}$, S $\frac{1}{2}$ [All]
- Section 6: Lots 1 (40.59), 2 (40.59), 3 (40.61),
4 (39.42), 5 (38.87), 6 (38.93) and
7 (38.97), S $\frac{1}{2}$ NE $\frac{1}{4}$, SE $\frac{1}{4}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$,
SE $\frac{1}{4}$ [All]
- Section 7: Lots 1 (39.04), 2 (39.11), 3 (39.19)
and 4 (39.26), E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All]
- Section 8: All
- Section 9: All
- Section 10: All
- Section 11: All
- Section 12: Lot 1 (34.43), portion of Allotment 278
(5.57), SE $\frac{1}{4}$ SE $\frac{1}{4}$, N $\frac{1}{2}$ SE $\frac{1}{4}$, SW $\frac{1}{4}$, N $\frac{1}{2}$ [All]
- Section 15: All
- Section 16: All
- Section 17: All
- Section 18: Lots 1 (39.31), 2 (39.34), 3 (39.36)
and 4 (39.39), E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All],

among other lands, and 320-acre or substantial equivalent lay-down drilling units for the same production from the same interval for the following Uintah County, Utah lands:

Township 10 South, Range 23 East, SLM

- Section 13: Lots 1 (11.39), 2 (35.48), 3 (39.12)
and 4 (36.85), portion of Allotment 278
(37.16), E $\frac{1}{2}$ NE $\frac{1}{4}$, W $\frac{1}{2}$ NW $\frac{1}{4}$ [N $\frac{1}{2}$]
- Section 14: N $\frac{1}{2}$.

The lands specifically described above are hereafter referred to as the “Bonanza Lands.” The

Board additionally ruled only one well on each unit producing from said interval would be allowed.

3. By Order entered May 24, 1994 in Cause No. 179-6 (the "179-6 Order"), the Board modified the 179-1 Order to allow the drilling of a second production well within the drilling units created under the 179-1 Order.

4. By Order entered February 3, 1995 in Cause No. 179-7 (the "179-7 Order"), the Board established 80-acre or substantial equivalent stand-up drilling units for the production of oil, gas and associated hydrocarbons from the interval between "the top of the Wasatch formation down to the base of the Mesaverde formation" for the following Uintah County, Utah lands:

Township 9 South, Range 23 East, SLM

Section 31: Lots 1 (39.01), 2 (38.95), 3 (38.89)
and 4 (38.83), E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$ [All],

hereinafter referred to as the "Southman Canyon Lands," and ruled only one well on each such unit producing in said interval would be allowed. The permitted wells for each unit were to be located in the NW $\frac{1}{4}$ and SE $\frac{1}{4}$ within a drilling window 400 foot square on the center location; provided, however, that the Division may grant administrative approval for exception well locations for topographic, environmental and archaeological considerations and when "no surface occupancy" stipulations imposed by the lessors prohibited drilling at a

legal location, without the necessity of a full hearing before the Board.

5. By Order entered December 28, 1999 in Cause No. 179-9 (the "179-9 Order"), the Board modified the 179-1 and 179-6 Orders to allow the drilling of up to four production wells on each of the drilling units created under the 179-1 Order. The additional authorized wells were to be located no closer than 920 feet from an existing well producing from the spaced interval and 460 feet from the exterior boundary of each unit; provided, however, that administrative approval may be granted for exception well locations for topographical, environmental and archaeological considerations and when "no surface occupancy" stipulations imposed by the lessors prohibited drilling at a legal location, without the necessity of a full hearing before the Board.

6. By Order entered on May 19, 2005 in Cause No. 179-11 (the "179-11 Order"), the Board modified the 179-1, 179-6 and 179-9 Orders, as pertaining to the $W\frac{1}{2}$ of Section 16 only, to allow the drilling of additional wells on said lands to achieve the equivalent of an approximate 40-acre well density pattern, *i.e.* to allow up to eight producing wells on said lands, for the production of oil, gas and associated hydrocarbons from all formations from the surface down to the top of the Mancos formation, defined as the stratigraphic equivalent of 9,420 feet as shown on the open log suite of the Southman Canyon 3ML-16-10-23 well located in the $NE\frac{1}{4}NW\frac{1}{4}$ of subject Section 16. The Board further ruled that the additional wells so authorized shall be located no closer than 920 feet from an existing well producing

from the same interval and no closer than 460 feet from an exterior boundary of the W $\frac{1}{2}$ of Section 16 without Division approval, presumably in accordance with Utah Admin. Code Rule R649-3-3.

7. By Order entered on July 5, 2005 in Cause No. 179-12 (the "179-12 Order"), the Board modified the 179-1, 179-6, 179-7 and 179-9 Orders as to all of the Bonanza and Southman Canyon Lands except the W $\frac{1}{2}$ of Section 16, to similarly allow the drilling of additional wells thereon to achieve the equivalent of an approximate 40-acre well density pattern, *i.e.* to allow up to eight producing wells on the 320-acre or substantial equivalent drilling units established under the 179-1 Order and two producing wells on the 80-acre or substantial equivalent drilling units established under the 179-7 Order, for the production of oil, gas and associated hydrocarbons from the Wasatch Formation and that part of the Mesaverde Group to the top of the Castlegate Sandstone as referenced by R.D. Hettinger and M.A. Kirschbaum in 2002 as pamphlet to Geologic Investigations Series I-2764, U.S. Department of the Interior, U.S. Geologic Survey, "Stratigraphy of the Upper Cretaceous Mancos Shale (Upper Part) and Mesaverde Group in the Southern Part of the Uintah and Piceance Basins, Utah and Colorado," defined as:

that interval from the stratigraphic equivalent of 4,298 feet down to the stratigraphic equivalent of 8,726 feet, as shown on the Gamma and Caliper logs, Dual Laterologs and Compensated Neutron-Formation Density log of the Southman Canyon Federal 1-5 well located in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Section 5, T10S, R23E, SLM.

(the "Subject Formations"). The Board further ruled that the additional wells so authorized may be located no closer than 920 feet from an existing well producing from the Subject Formations and no closer than 460 feet from the exterior boundary of each drilling unit; provided, however, that administrative approval by the Division may be granted in accordance with Utah Admin. Code Rule R649-3-3 for exception well locations for topographical, geological, environmental, and archaeological considerations and when "no surface occupancy" stipulations imposed by the lessors prohibit drilling at a legal location, without the necessity of a full hearing before the Board.

8. The gas and associated oil and hydrocarbons underlying the Bonanza and Southman Canyon Lands are primarily under Federal ownership, with the exceptions of Sections 2 and 16, which are owned by the State of Utah in trust for the benefit of its schools and institutions, and Allotment No. 278, which is Indian owned. All of the Bonanza and Southman Canyon Lands are leased except Allotment No. 278, and Lots 1 and 4 and the E $\frac{1}{2}$ NE $\frac{1}{4}$ of Section 13.

9. KMG is the sole lessee under the leases covering the Bonanza and Southman Canyon Lands except for Section 3, the NE $\frac{1}{4}$ SE $\frac{1}{4}$ and SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, and the W $\frac{1}{2}$ of Section 16, in which it owns no interest. EOG is the sole lessee in Section 3, QEP is the sole lessee in Section 16, and 95 IP is a 50% lessee in the SW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10. FNRC

TDT Diverse L.P. is the remaining 50% lessee in the SW¹/₄SE¹/₄ of Section 10, and Allan Gann, d/b/a Amcon Resources, is the sole lessee of the NE¹/₄SE¹/₄ of Section 10.

10. In Paragraphs 9 and 10 of the Findings of Fact of the 179-12 Order, the Board expressly found that:

Sandstones of the Wasatch and Mesaverde were deposited by meandering river channels that traversed a broad low-lying plain in the general region of the Subject Lands. These fluvial sands were eventually buried and encased in fine grained mud as the area subsided. New meandering channel systems established themselves nearby and, similarly with time, would be buried and preserved in the subsurface. Today, this package is a thick sequence of laterally discontinuous, compartmentalized, stacked-channel deposits. Data generated from the wells drilled on the Subject Lands has confirmed that it is difficult to intersect many of these thin sandstones with a single wellbore; only a few channel sandstones are intersected in each well.

Production data from wells drilled on the Subject Lands indicates that initial rates have not degraded with respect to subsequent wells drilled within the same drilling and spacing unit; this is an indication of compartmentalization or discontinuous sand bodies with no pressure communication or depletion between wells. Compartmentalization based on the discontinuous nature of the sands within the Subject Lands inherently results in small drainage areas and inefficient extraction of reserves.

The Board reaffirms those findings.

11. KMG has since drilled several wells producing from the Subject Formations pursuant to the 179-12 Order on a 40-acre density pattern. Several have, in accordance with approved exception locations from the Division, been drilled closer than 920 feet apart.

12. Data gathered from these wells and other wells within the vicinity of the Bonanza and Southman Canyon Lands has shown and/or confirmed:

- a) The sand bodies are numerous, small and discontinuous. Wells drilled even as close as 505 feet apart do not intersect all of the same sand bodies and therefore reflect great lateral variability in the productive sandstones of the Subject Formations. Surface outcrop studies indicate that the average apparent width of the sand bodies is 637 feet. Theoretically, wells on a 10-acre density pattern would be located 660 feet apart;
- b) The sand bodies contain complex internal structures, many of which are barriers to flow, and are tight with permeabilities in the micro-darcy range;
- c) Consistent fracture orientation in the area allows wells to be placed in a pattern so as to minimize potential interference; and
- d) Diagnostic Fluid Injection Tests (DFIT) conducted on many of the wells detected minimal, if any, depletion even though the tests were designed to seek out intervals with the most likely chance of seeing depletion.

13. Volumetric estimations reflect a 74% recovery efficiency on a 10-acre density pattern for the Subject Formations underlying the Bonanza and Southman Canyon Lands.

14. Economic Sensitivity to Reserve analysis reflects that drilling wells on a 10-acre density pattern for the Subject Formations is economic.

15. There is a likelihood that, if development of the Subject Formations underlying the Bonanza and Southman Canyon Lands does not occur on an approximate 10-acre well density pattern, valuable resources will not be recovered.

16. The Board recognizes that it has previously authorized development of the Subject Formations in areas nearby the Bonanza and Southman Canyon Lands on a 20-acre density pattern and that the Colorado Oil and Gas Conservation Commission has authorized development of the Williams Fork Formation, analogous to the Mesaverde Group as defined above, in the Piceance Basin of Colorado on a 10-acre density pattern for similar reasons.

17. There are numerous communitization agreements already in place covering portions of the Bonanza and Southman Canyon Lands, which were executed and approved by the requisite agencies in order to establish proration units in conformance with the 179-1 and 179-7 Orders. Production from any additional wells drilled within the existing drilling units subject to said agreements will be allocated to all royalty, overriding royalty and working and other production interest owners within the units in the same manner as is production from the wells currently within said units.

18. A copy of the Request was mailed, postage pre-paid, certified with return receipt requested, and properly addressed, to all working interest/operating rights owners and operators within the Bonanza and Southman Canyon Lands to their last addresses disclosed by the appropriate Federal, Indian, State and County realty records, and to the governmental agencies having jurisdiction over the minerals underlying said lands. Copies of the return receipts, evidencing receipt of all such mailings, were filed with the Board.

19. Notice of the filing of the Request and of the hearing thereon was duly published in the Salt Lake Tribune and Deseret Morning News on April 29, 2008, and in the Vernal Express on April 30, 2008.

20. The vote of the Board members present in the hearing and participating in this Cause was unanimous in favor of granting the Request.

CONCLUSIONS OF LAW

1. Due and regular notice of the time, place and purpose of the hearing was properly given to all parties whose legally protected interests are affected by the Request in the form and manner as required by law and the rules and regulations of the Board and Division.

2. The Board has jurisdiction over all matter covered by the Request and all interested parties therein, and has the power and authority to render the order herein set forth pursuant to Utah Code Ann. §§ 40-6-5(3)(b) and 40-6-6(6).

3. The modification of the 179-11 and 179-12 Orders to allow the drilling of additional wells on the Bonanza and Southman Canyon Lands to achieve the equivalent of an approximate 10-acre well density pattern, *i.e.* to allow up to 32 producing wells on the 320-acre or substantial equivalent drilling units established under the 179-1 Order and eight (8) producing wells on the 80-acre or substantial equivalent drilling units established under the 179-7 Order, for the production of gas and associated oil and hydrocarbons from the Subject

Formations, with the proviso that the additional wells so authorized may be located no closer than 460 feet from the exterior boundary of each unit unless an exception is granted by the Division in accordance with Utah Admin. Code Rule R649-3-3 for topographical, geological, environmental, and archeological considerations and when “no surface occupancy” stipulations imposed by the lessors prohibit drilling at a legal location, is just and reasonable under the circumstances.

4. The elimination of any offset limitations as between wells within each such drilling unit and the suspension of Utah Admin. Code Rules R649-3-10 and R649-3-11 (1) and (2), with the provisos that:

- (a) no well may be directionally drilled if any portion of a 460-foot radius along the projected well intersects with a drilling unit boundary without approval of the Division or Board in accordance with Utah Admin. Code Rules R649-3-10 and R649-3-11(1) and (2); and
- (b) the operator provides to the Division a plat or sketch showing the distance to the drilling unit boundary and the target location within the Subject Formations with any application for permit to drill filed for a well to be directionally drilled,

are just and reasonable under the circumstances.

5. Declaring that all existing wells located on the Bonanza and Southman Canyon Lands and producing gas and associated oil and hydrocarbons from the Subject Formations are authorized and deemed to be at lawful locations, notwithstanding the relief granted hereby, is necessary to avoid inconsistency with the existing 179-11 and 179-12 Orders and is

just and reasonable under the circumstances.

6. Authorizing in-fill drilling, rather than vacating the existing orders and downspacing, is necessary to avoid interfering with the contractual rights established under the existing communitization agreement covering portions of the Bonanza and Southman Canyon Lands. The correlative rights of the parties to said agreements will not be adversely affected by the in-fill drilling authorized hereby.

7. KMG has sustained its burden of proof, demonstrated good cause, and satisfied all legal requirements for the granting of the Request.

8. The relief granted hereby will result in the orderly development and greatest recovery of gas and associated oil and hydrocarbons from the Subject Formations underlying the Bonanza and Southman Canyon Lands, prevent waste and adequately protect the correlative rights of all affected parties.

ORDER

Based upon the Request, testimony and evidence submitted, and the findings of fact and conclusions of law stated above, the Board hereby orders:

1. The Request in this cause is granted.
2. The 179-11 and 179-12 Orders are hereby modified to allow the drilling of additional wells on the Bonanza and Southman Canyon Lands to achieve the equivalent of an approximate 10-acre well density pattern, *i.e.* to allow up to 32 producing wells on the 320-

acre drilling units established under the 179-1 Order and eight (8) producing wells on the 80-acre drilling units established under the 179-7 Order, for the production of gas and associated oil and hydrocarbons from the Subject Formations.

3. The additional wells so authorized may be located no closer than 460 feet from the exterior boundary of each drilling unit; provided, however, that administrative approval by the Division may be granted in accordance with Utah Admin. Code Rule R649-3-3 for exception well locations for topographical, geological, environmental, and archaeological considerations and when “no surface occupancy” stipulations imposed by the lessors prohibit drilling at a legal location, without the necessity of a full hearing before the Board.

4. Any offset limitations as between wells within each such drilling unit are hereby eliminated and Utah Admin. Code Rules R649-3-10 and R649-3-11(1) and (2), as applicable to each such drilling unit, are hereby suspended; provided, however, that no well may be directionally drilled if any portion of the 460-foot radius along the projected wellbore intersects with a drilling unit boundary without approval of the Division or Board in accordance with Utah Admin. Code Rules R649-3-3 and R649-3-11(1) and (2), and further provided that KMG or the Operator must provide to the Division a plat or sketch showing the distance to the drilling unit boundary and the target location within the Subject Formations with any application for permit to drill filed for a well to be directionally drilled.

5. All existing wells located on the Bonanza and Southman Canyon Lands and

producing gas and associated oil and hydrocarbons from the Subject Formations are hereby declared to be authorized and located at lawful locations, notwithstanding the consequences of the relief granted hereby.

6. Pursuant to Utah Admin. Code Rules R641 and Utah Code Ann. § 63G-4-204 to 208, the Board has considered and decided this matter as a formal adjudication.

7. This Order is based exclusively on evidence of record in the adjudicative proceeding or on facts officially noted, and constitutes the signed written order stating the Board's decision and the reasons for the decision, all as required by the Administrative Procedures Act, Utah Code Ann. § 63G-4-208 and Utah Administrative Code Rule R641-109.

8. Notice re: Right to Seek Judicial Review by the Utah Supreme Court or to Request Board Reconsideration: As required by Utah Code Ann. § 63G-4-208(e) - (g), the Board hereby notifies all parties in interest that they have the right to seek judicial review of this final Board Order in this formal adjudication by filing a timely appeal with the Utah Supreme Court within 30 days after the date that this Order issued. Utah Code Ann. §§ 63G-4-401(3)(a) and 403. As an alternative to seeking immediate judicial review, and not as a prerequisite to seeking judicial review, the Board also hereby notifies parties that they may elect to request that the Board reconsider this Order, which constitutes a final agency action of the Board. Utah Code Ann. § 63G-4-302, entitled, "Agency Review - Reconsideration,"

states:

(1)(a) Within 20 days after the date that an order is issued for which review by the agency or by a superior agency under Section 63G-4-301 is unavailable, and if the order would otherwise constitute final agency action, any party may file a written request for reconsideration with the agency, stating the specific grounds upon which relief is requested.

(b) Unless otherwise provided by statute, the filing of the request is not a prerequisite for seeking judicial review of the order.

(2) The request for reconsideration shall be filed with the agency and one copy shall be sent by mail to each party by the person making the request.

(3)(a) The agency head, or a person designated for that purpose, shall issue a written order granting the request or denying the request.

(b) If the agency head or the person designated for that purpose does not issue an order within 20 days after the filing of the request, the request for reconsideration shall be considered to be denied.

Id. The Board also hereby notifies the parties that Utah Admin. Code Rule R641-110-100, which is part of a group of Board rules entitled, "Rehearing and Modification of Existing Orders," states:

Any person affected by a final order or decision of the Board may file a petition for rehearing. Unless otherwise provided, a petition for rehearing must be filed no later than the 10th day of the month following the date of signing of the final order or decision for which the rehearing is sought. A copy of such petition will be served on each other party to the proceeding no later than the 15th day of the month.

Id. See Utah Admin. Code Rule R641-110-200 for the required contents of a petition for Rehearing. If there is any conflict between the deadline in Utah Code Ann. § 63G-4-302 and

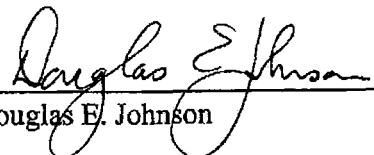
the deadline in Utah Admin. Code Rule R641-110-100 for moving to rehear this matter, the Board hereby rules that the later of the two deadlines shall be available to any party moving to rehear this matter. If the Board later denies a timely petition for rehearing, the party may still seek judicial review of the Order by perfecting a timely appeal with the Utah Supreme Court within 30 days thereafter.

9. The Board retains continuing jurisdiction over all the parties and over the subject matter of this cause, except to the extent said jurisdiction may be divested by the filing of a timely appeal to seek judicial review of this order by the Utah Supreme Court.

10. For all purposes, the Chairman's signature on a faxed copy of this Order shall be deemed the equivalent of a signed original.

DATED this 12 day of JUNE, 2008.

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

By: 
Douglas E. Johnson

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing "Findings of Fact, Conclusions of Law and Order" for Docket No. 2008-011, Cause No. 179-14 to be mailed, postage prepaid, on this 13th day of June, 2008, to the following:

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