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**BOARD OF OIL, GAS & MINING**  
**DEPARTMENT OF NATURAL RESOURCES AND ENERGY**  
**IN AND FOR THE STATE OF UTAH**

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IN THE MATTER OF THE	*	
APPLICATION OF LIBERTY OIL	*	
AND GAS CORPORATION FOR	*	
AN ORDER APPROVING THE	*	ORDER
LOCATION OF APPLICANT'S	*	
McRAE NO. 7-42 WELL AS AN	*	
EXCEPTION TO THE LOCATION	*	Cause No. 186-8
PRESCRIBED BY THIS BOARD'S	*	
ORDER IN CAUSE NO. 186-1,	*	
IN SECTION 7, TOWNSHIP 36	*	
SOUTH, RANGE 26 EAST, S.L.M.,	*	
SAN JUAN COUNTY, UTAH.	*	

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Pursuant to the Application of Liberty Oil and Gas Corporation, this cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Thursday, March 24, 1983 at 2:30 P.M. in the Four Seasons North Convention Center, 747 East St. George Blvd., St. George, Utah.

The following Board members were present:

Charles R. Henderson, Chairman, Presiding

John L. Bell

Margaret Bird

Robert R. Norman

Steele McIntyre

Herm Olsen

The following staff members were present:

Cleon B. Feight, Hearing Examiner

Ron Firth, Chief Petroleum Engineer

Barbara Roberts, Special Assistant Attorney General

Thalia Pratt, Acting Secretary to the Board

Appearances were made as follows: For Liberty Oil and Gas Corporation (Applicant), Hugh C. Garner, Esq., 310 South Main Street, Suite 1400, Salt Lake City, Utah 84101.

FINDINGS

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. This Board in Cause No. 186-1 conducted a hearing on the Application of Wexpro Company. Said hearing, held on February 27, 1980 in Salt Lake City, Utah, resulted in an order establishing 160-acre drilling and spacing units for crude oil and associated natural gas in the Desert Creek Formation underlying the following described lands in the Bug Field, San Juan County, Utah:

Township 36 South, Range 25 East, S.L.M.

Section 1: Lots 1,2, S1/2 SE1/4  
Section 12: E1/2

Township 36 South, Range 26 East, S.L.M.

Section 7: All  
Section 8: S1/2  
Section 15: SW1/4  
Section 16: S1/2, NW1/4  
Section 17: All  
Section 18: N1/2, SE1/4

Said order further specified that the permitted well location for each drilling unit "shall be at or near the center of the Northeast 40-acre subdivision of each 160-acre governmental subdivision, which shall be construed as meaning within a 400-foot square window located in the center of such designated quarter section."

2. From said testimony and exhibits the Applicant demonstrated that the only feasible location for the well in the NE1/4 of Section 7, Township 36 South, Range 26 East, S.L.M. was, for geologic and topographic reasons, at a site 1,637 feet from the North line and 783 feet from the East line of said section.

3. 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:

An exception to the permitted well location as specified in said Order in Cause No. 186-1 is hereby granted;

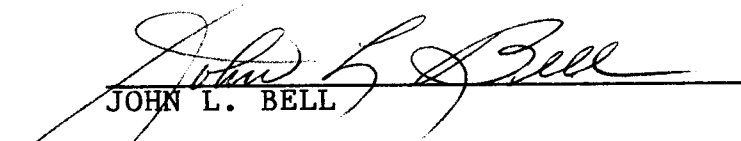
The permitted well location for drilling in the NE1/4 of Section 7, Township 36 South, Range 26 East, S.L.M., shall be at a location described as being 1,637 feet from the North line and 783 feet from the East line of said section;

Said well, denominated as the McCrae Federal No. 7-42 Well, is hereby designated as the Unit Well for said drilling and spacing unit comprising the NE1/4 of Section 7.

DATED this 24th day of March, 1981.

BOARD OF OIL, GAS & MINING  
For the State of Utah

  
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CHARLES R. HENDERSON, Chairman

  
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JOHN L. BELL

  
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MARGARET BIRD

  
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ROBERT R. NORMAN

  
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STEELE McINTYRE

  
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HERM OLSEN, Presiding