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 AND GAS CORPORATION FOR AN ORDER ESTABLISHING SPACING UNITS FOR THE WASATCH FORMATION UNDERLYING SECTION 1, TOWNSHIP 12 SOUTH, RANGE 24 EAST, S.L.M., UINTAH COUNTY, UTAH	O R D E R Cause No. 193-2

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 Thursday, October 22, 1981, at 10:00 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

Robert R. Norman

Margaret Bird

Herm Olson

E. Steele McIntyre

Appearances were made as follows:

For Texas Oil & Gas Corp. (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 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 193-1, establishing 320 acre drilling and spacing units for the Wasatch Formation underlying Section 10, T12S, R24E, S.L.M.

4. The Wasatch Formation is believed to underly the above-described lands and to constitute a source of supply of natural gas.

5. All available geological and engineering data concerning the area indicates that one well will adequately drain all recoverable gas from each sand interval or zone underlying 320 surface acres of the above-described area and that 320 surface acres is the maximum area that may be drained efficiently and economically by one well.

6. That in order to avoid the drilling of unecessary wells, to protect correlative rights of all parties concerned, to insure proper and efficient development and to promote conservation of the gas resources of this state, an order shall be made establishing drilling units for the production of gas from the Wasatch Formation underlying Section 1, Township 12 South, Range 24 East, S.L.M.

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:

To prevent waste of oil, gas and associated hydrocarbons, to avoid the drilling of unecessary wells, to protect correlative rights and to establish drilling units of uniform size and shape, the Board hereby establishes two drilling units of 320 acres in Section 1, T12S, R24E, S.L.M., running in either a north-south or east-west direction, at applicant's discretion, according to the

Government survey of the said-described land, as an extension of its order in Cause 193-1.
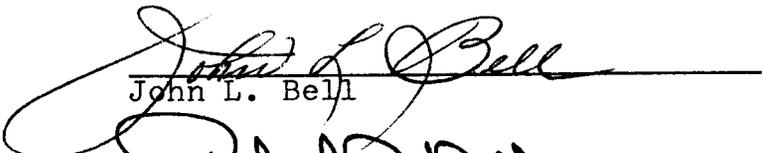
On each drilling unit, one well may be completed and produced. The permitted well for each drilling unit shall be located no closer than 1,000 feet from the drilling unit boundary with a 500 foot tolerance, to be granted administratively for geological and/or topographical exceptions; and no closer than 2,500 feet from any other gas well which is producable from the same sand interval or zone, provided that 500 foot tolerance is permitted in the footage between wells in the event surface destructions or undue hazards are encountered.
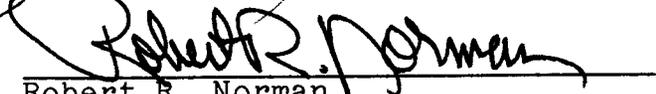
DATED this _____ day of October, 1981.

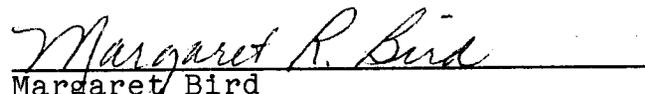BOARD OF OIL, GAS AND MINING
State of Utah
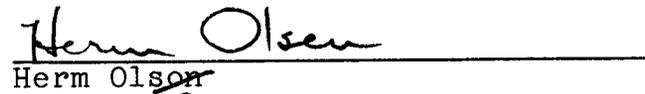
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Charles R. Henderson, Chairman

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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 Olson

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E. Steele McIntyre