

BEFORE THE BOARD OF OIL, GAS AND 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 COASTAL OIL & GAS CORPORATION ) ORDER  
FOR AN ORDER ESTABLISHING 160-ACRE )  
DRILLING AND SPACING UNITS FOR ) CAUSE NO. 197-1  
LANDS IN THE NATURAL BUTTES AREA, )  
UINTAH COUNTY, UTAH )  
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Pursuant to due notice by the Board of Oil, Gas and Mining dated April 5, 1982, this cause came on regularly for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources and Energy of the State of Utah, at 10:00 a.m., on Thursday, April 29, 1982, in the Governor's Board Room, State Capitol Building, Salt Lake City, Utah.

The following Board Members were present:

Charles R. Henderson, Chairman  
E. Steele McIntyre  
Edward T. Beck  
Margaret Bird  
John L. Bell  
Robert R. Norman  
Herm Olsen

Appearances were made as follows:

For Coastal Oil & Gas Corporation: Robert Irwin, Esq.  
For the U.S.G.S.: Ed Gynn  
For TOSCO: Phillip Lear, Esq.

NOW, THEREFORE, the Board having fully considered all motions, the testimony adduced, and the exhibits received at said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS

1. That due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board.
2. That the Board has jurisdiction over all matters covered by said notice and over all parties interested therein and has the power and authority to make and promulgate the Order hereinafer set forth.
3. That one well within a 160 acre drilling unit will efficiently and economically drain the recoverable gas and associated hydrocarbons from

the hereinafter described lands, and that a 160 acre drilling unit is not larger than the maximum area that can be efficiently and economically drained by one well.

4. That for the purpose of this Order, the base of the Green River formation is defined as the stratigraphic equivalent of the correlation point established at the depth of 4,822 feet below Kelly Bushing in the Ute Trail #10 well drilled by DeKalb Petroleum Company in the NE/4 SW/4 of Section 34, Township 9 South, Range 21 East, S.L.M., Uintah County, Utah.

5. That horizontal drilling units should be established comprising each governmental one quarter section, or governmental lots corresponding thereto, i.e., 160 acres, more or less, for the interval described above in paragraph 4 covering the lands hereinafter described.

6. That the location for each permitted well shall be not less than 1000 feet from the exterior boundary of each drilling unit.

7. That the area under consideration in this matter is underlain by oil shale and all wells drilled to the base of the Green River formation will penetrate said oil shale.

Pursuant to the foregoing Findings of Fact, the Board hereby makes the following

#### O R D E R

1. The lands in Uintah County, State of Utah, known and believed to be underlain by gas and associated hydrocarbons that can be produced from the Green River formations are as follows:

Township 9 South, Range 20 East, SLBM  
Sections 12 thru 15  
Sections 21 thru 28  
Sections 33 thru 36

Township 9 South, Range 21 East, SLBM  
Sections 7 thru 35

Township 10 South, Range 20 East, SLBM  
Sections 1 and 12

Township 10 South, Range 21 East, SLBM  
Sections 2 thru 9

2. The 160 acre horizontal drilling units be and the same are hereby established covering the lands described above in paragraph 1 for the development and production of gas and associated hydrocarbons from the Green River formation.

3. That the location for each permitted well shall be not less than 1000 feet from the exterior boundary of each drilling unit.


4. That the base of the Green River formation is defined as the stratigraphic equivalent of the correlation point established at the depth of 4,822 feet below Kelly Bushing in the Ute Trail #10 well drilled by DeKalb Petroleum Company in the NE/4 SW/4 of Section 34, Township 9 South, Range 21 East, S.L.M., Uintah County, Utah.

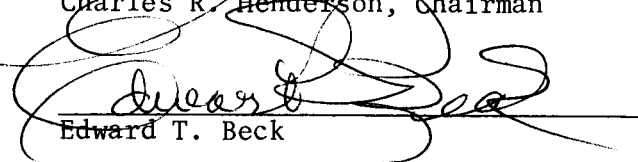
5. That any casing set into or through the oil shale section shall be cemented solidly through the oil shale section above the casing shoe and all production casing strings shall be cemented to the surface.

6. That the Board retains continuing jurisdiction over all matters covered by this Order and all other applicable orders and over all parties affected thereby and particularly that the Board retains and reserves continuing jurisdiction to make further orders as it may deem appropriate and as authorized by statute and applicable regulations.

ENTERED this 29th day of April, 1982.

BOARD OF OIL, GAS AND MINING

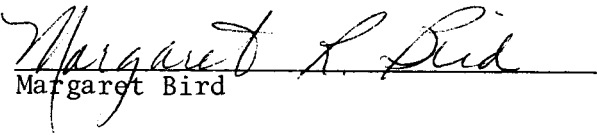
  
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