

LAW OFFICES OF  
**HUGH C. GARNER & ASSOCIATES**

A PROFESSIONAL CORPORATION  
SUITE 1400  
310 SOUTH MAIN STREET  
SALT LAKE CITY, UTAH 84101

HUGH C. GARNER  
NICHOLAS F. MCKEAN  
JAMES W. CARTER  
ROSEMARY J. BELZSS  
RANDY K. JOHNSON  
JOHN R. KUNZ

(801) 532-5660

**RECEIVED**

SEP 29 1983

ATTORNEY GENERALS OFFICE

September 28, 1983

Barbara Roberts  
Assistant Attorney General  
115 State Capitol Building  
Salt Lake City, Utah 84114

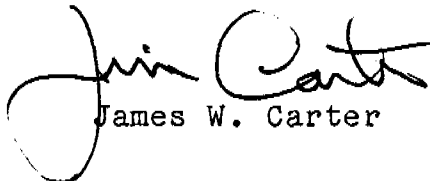
Re: Cause No. 206-1

Dear Barbara:

Enclosed please find a draft Order which we have prepared pursuant to the Board's direction in Cause No. 206-1. Please let me know whether it conforms with the Board's decision. Thanks for your help.

Very truly yours,

HUGH C. GARNER & ASSOCIATES, P.C.

  
James W. Carter

JWC/gjr  
Enclosure

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

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IN THE MATTER OF THE  
APPLICATION OF TXO  
PRODUCTION CORP. FOR AN  
ORDER ESTABLISHING DRILLING  
AND SPACING UNITS FOR THE  
MESAVERDE, GREEN RIVER,  
MORRISON, DAKOTA, CEDAR  
MOUNTAIN AND ENTRADA  
FORMATIONS, UNDERLYING SECTION  
36, TOWNSHIP 11 SOUTH, RANGE  
25 EAST, S.L.M., Uintah  
COUNTY, UTAH.

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ORDER

Cause No. 206-1

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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 Thursday, August 25, 1983 at the hour of 10:00 o'clock A.M. and on Thursday, September 22, 1983, at 10:00 o'clock A.M. in the auditorium of the Department Natural Resources, 1636 West North Temple, Salt Lake City, Utah. 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,

*Edward J. Quinlan Reservoir Engineer and Emily M. Handley - Goff Geologist, 1300 Lincoln Center Building, 1660 Lincoln St. Denver, CO. 80264*

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. In addition to the testimony and exhibits presented to the Board, the Board has examined a Memorandum dated September 15, 1983 from Ray Kerns, Chief Petroleum Geologist, Utah Geological and Mineral Survey, concerning the geologic setting of the area which is the subject of the within application.

4. The Dakota Formation and the Buckhorn-Sands of the Dakota Formation are believed to underly the <sup>following</sup> above described land and to constitute a common source of supply of natural gas:

Township 11 South Range 25 East, 51m, Uintah County

Section 36: All

5. All available geological and engineering data concerning the area indicates that one well will adequately drain the recoverable gas from the common source of supply underlying 160 ~~surface~~ <sup>acres</sup> acres of the above described area and that 160 ~~surface~~ acres is the maximum area that may be drained efficiently and economically by one well.

6. An order of the Board should be made establishing drilling units for the production of gas from the Dakota Formation including the Buckhorn Sands underlying Section 36, Township 11 South, Range 25 East, S.L.M.

Sufficient evidence now being available upon which to reach a decision, and in the absence of any objection, the Board issues the following:

ORDER

1. The Board hereby establishes five drilling units of approximately 160 acres each for production of natural gas from the Dakota Formation and the Buckhorn Sands of the Dakota Formation in Section 36, Township 11 South, Range 25 East, S.L.M., as follows:

Unit No. 1; Section 36: NW1/4

Unit No. 2; Section 36: SW1/4

Unit No. 3: Section 36: Lots 3, 4, 5 and 6

Unit No. 4; Section 36: Lots 11, 12, 13 and 14.

Unit No. 5; Section 36: Lots 1, 2, 7, 8, 9, 10, <sup>15</sup>~~16~~ and 16;

according to the government survey of the above described lands.

3. One well may be drilled and completed for production from the above formations on each drilling unit. 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 topographical exceptions, and no closer than 2,000 feet from a ~~producing~~ <sup>permitted</sup> well in an adjacent area, and that a ~~five hundred~~ <sup>500</sup> foot tolerance be permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

DATED this 27<sup>th</sup> day of October, 1983.

BOARD OF OIL, GAS AND MINING

\_\_\_\_\_  
Gregory P. Williams, Chairman

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John M. Garr

\_\_\_\_\_  
Constance R. Lundberg

\_\_\_\_\_  
Charles R. Henderson

\_\_\_\_\_  
Richard B. Larsen

\_\_\_\_\_  
E. Steel McIntyre

\_\_\_\_\_  
Diane R. Nielson

*The Evacuation Creek State #1 well will be the ~~drilling~~ permitted well for drilling unit no. 2.*

*X*