

LAW OFFICES

PRUITT & GUSHEE

SUITE 875-BENEFICIAL LIFE TOWER

SALT LAKE CITY, UTAH 84111

(801) 531-8446

ROBERT G. PRUITT, JR.
OLIVER W. GUSHEE, JR.
PHILLIP WM. LEAR
THOMAS A. NELSON

November 1, 1978



Mr. Cleon B. Feight, Director
Utah Division of Oil, Gas and Mining
1588 West North Temple
Salt Lake City, UT 84116

Cause Nos. 70-2 and 70-3

Dear Jack:

Jed Lemmons of Mesa Petroleum Company would like to meet with you and Pat Driscoll at 10:00 a.m. on Monday, November 13, at your offices in Salt Lake City, if you are available. I am writing to ask that you schedule about one hour at that time and date, and confirm to me over the telephone sometime Monday, November 6, that you and Pat would be able to meet with him. *De*

Mr. Lemmons wants to discuss with both of you matters which have been the subject of correspondence but which need to be discussed personally to reach a decision. Hopefully by November 13 details of the proposed pressure communication tests will have been worked out, so that he can discuss that matter with you also.

Please telephone me advising whether the time and date of the meeting is acceptable, so that I can advise Mr. Lemmons and he can make the necessary reservations.

Yours very truly,

A handwritten signature in cursive that reads "Bob".

Robert G. Pruitt, Jr.

RGP:ms
cc Jed W. Lemmons

Set for 1:00 P.M. Monday



LAW OFFICES OF
HUGH C. GARNER
SUITE 580 KENNECOTT BUILDING
SALT LAKE CITY, UTAH 84133

(801) 532-5660

February 3, 1978

Cleon B. Feight, Esq.
Director, Division of Oil, Gas, and Mining
Department of Natural Resources
1588 West North Temple
Salt Lake City, Utah

Re: Order in Cause No. 70-3

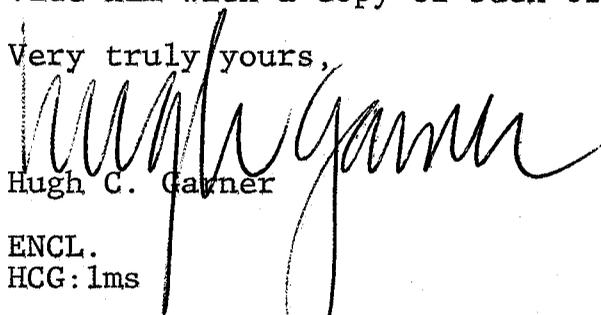
Dear Jack:

Enclosed you will find seven copies of an Order prepared by this office in pursuance of Dan Stewart's direction in the above captioned cause.

As I indicated in our conversation, the enclosure, in the Findings, provides some degree of continuity in setting out the decisions of the Board in previous hearings; I think the Order, in its entirety, carefully tracks the Chairman's announcement of the decision in this particular cause.

In line with your suggestion, I shall contact Mr. Massey, District Land Manager for Union Oil Company, and will provide him with a copy of such Order. ✓

Very truly yours,


Hugh C. Garner

ENCL.
HCG:lms

cc: Mr. James Neil Blue
Cordillera Corporation
2334 East Third
Denver, Colorado 80206

CIRCULATE TO:

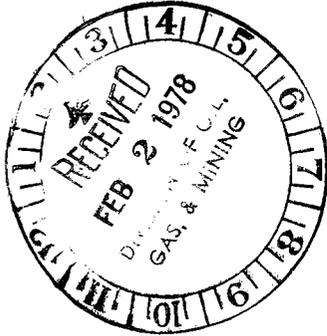
DIRECTOR -----
PETROLEUM ENGINEER -----
MINE COORDINATOR -----
ADMINISTRATIVE ASSISTANT -----
ALL -----
RETURN TO Schwert
FOR FILING

Union Oil and Gas Division: Central Region
Southern Rocky Mountain District

Union Oil Company of California
P.O. Box 3279, Casper, Wyoming 82601
Telephone: (307) 234-1563



January 31, 1978



Board of Oil, Gas and Mining
Department of Natural Resources
State of Utah
1588 West North Temple
Salt Lake City, Utah 84116

Attn: Mr. Cleon B. Feight, Director

Gentlemen:

You held a hearing on Wednesday, January 25, 1978, relative to Cause No. 70-3, on lands in Township 30 South, Range 25 East.

Although we have leases covering lands in Township 30 South, Range 25 East, we were not aware of the hearing until January 30, 1978.

We would appreciate a copy of the Order issued pursuant to the January 25, 1978 hearing.

If Union is not on your mailing list we would appreciate being placed on same for all notices pertaining to Oil and Gas, same to be mailed to:

Union Oil Company of California
P. O. Box 3279
Casper, Wyoming 82602
Attention: Land Department

Very truly yours,


R. H. Massey
District Land Manager

RHM/jw

TRANSMITTAL MEMO

FROM

ROBERT G. PRUITT, JR.

TO Jack Feight

DATE 1-31-78

For your information

Please reply and copy me

Your comments, please

Review and reply to _____

Review and call me

Review and forward to _____

Review and file

Attach previous correspondence and return to me

Review and return to me

COMMENTS/REPLY

Please don't let Cordilleva get us off on another tangent - Mesa likes the Board's order as announced by Dan Stewart. They might not like the order as written by Cordilleva's attorney!

Bob

Dear . Pruitt:

Enclosed is the decision of the Board of Oil, Gas and Mining rendered on January 25, 1978 regarding cause No. 70-3

MR. CHAIRMAN:

Having considered the evidence, the board has reached the decision that in Cause No. 70-3, that there should be 160 acre spacing, 1,000 foot set back from the quarter section lines, with topographic exceptions permitted upon showing of need, and not closer than 750 feet.

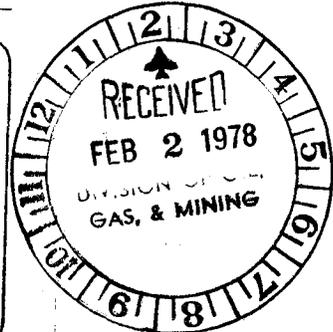
TRANSMITTAL MEMO

FROM:

ROBERT G. PRUITT, JR.

TO Hugh Garnew DATE 1-31-78

| | |
|--|--|
| <input type="checkbox"/> For your information | <input type="checkbox"/> Please reply and copy me |
| <input type="checkbox"/> Your comments, please | <input type="checkbox"/> Review and reply to _____ |
| <input type="checkbox"/> Review and call me | <input type="checkbox"/> Review and forward to _____ |
| <input type="checkbox"/> Review and file | <input type="checkbox"/> Attach previous correspondence and return to me |
| <input type="checkbox"/> Review and return to me | |



COMMENTS/REPLY

I asked the reporter to transcribe the Board's order — but since you are preparing the order, you will want to refer to this.

Bob

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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 :
MESA PETROLEUM COMPANY FOR AN ORDER :
MODIFYING THE 320 ACRE SPACING ORDER : ORDER
FOR THE MISSISSIPPIAN FORMATION, :
LISBON VALLEY AREA, SAN JUAN COUNTY, : CAUSE NO. 70-3
UTAH :

THIS CAUSE came on for hearing before the Board of Oil, Gas, and Mining on Wednesday, January 25, 1978, at nine o'clock A.M., in the Executive Conference Room - Holiday Inn, 1659 West North Temple, Salt Lake City, Utah, on the application of Mesa Petroleum Company for an Order modifying the existing 320 acre spacing order for the Mississippian Formation, Lisbon Valley Area, San Juan County, Utah, as established under the Order entered in Cause No. 70. The following Board Members were present:

I. Daniel Stewart, Chairman

Charles R. Henderson

John L. Bell

Thadis W. Box

Also present and representing the Board were:

Cleon B. Feight, Director, Division of Oil,
Gas, and Mining

Patrick L. Driscoll, Chief Petroleum Engineer,
Division of Oil, Gas, and Mining

Appearances were made as follows:

For Mesa Petroleum Company:

Robert Pruitt, Esq., Salt Lake City, Utah
John Barwin, Golden, Colorado
Jim Young, Englewood, Colorado
Jed Lemons, Denver, Colorado

For Cordillera Corporation:

Hugh C. Garner, Esq., Salt Lake City, Utah
R. L. Boshard, Denver, Colorado
James Shepler, Evergreen, Colorado

For Kathleen and Reed Gilmore:

W. H. Gilmore, Jr., Midland, Texas

NOW THEREFORE, the Board having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises, 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 in the form and manner and within the time required by law and by the rules and regulations of the Board.
2. The Board has jurisdiction over the matter covered by said application and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.
3. By Order dated May 11, 1962, in Cause No. 70, the then Oil and Gas Conservation Commission of the State of Utah, established 320 acre drilling and spacing units for the production of gas from the producing horizon of the Mississippian Formation underlying the Lisbon Valley Area as therein defined, specifying the shape and pattern of such drilling and spacing units and specifying the location of permitted wells thereon. Pubco Petroleum Corporation Number 2-21 Lisbon Well was designated as the Drilling Unit Well for Drilling Unit Number 9.
4. Cordillera Corporation applied, in Cause No. 70-2, for an Order establishing 160 acre drilling and spacing units for the Lisbon Valley Area for the production of gas from the producing horizon of the Mississippian Formation; an Order was entered in Cause No. 70-2 on August 24, 1977, which continued indefinitely or until recalled by an interested party, said application to vacate the Order issued in Cause No. 70; Cordillera Corporation was authorized, within certain limitations, to enter, redrill and if possible, complete the plugged and abandoned well located in Section 16, Township 30 South, Range 25 East, S.L.M.
5. The application of Mesa Petroleum Company in Cause No. 70-3 sought an Order modifying the 320 acre spacing order for the Mississippian Formation to the extent of deleting from the order entered in Cause No. 70 the column entitled "Permitted Well Location", the modification of \$3

of said order to permit the drilling of a well to the Mississippian Formation anywhere within an existing drilling and spacing unit so long as the well site is no closer than one thousand feet from the boundary of the designated drilling and spacing unit within which said well is located and Drilling Units Nos. 11 and 12 were to be redescrbed as covering the E1/2 and the W1/2 of said Section 22, respectively.

6. On motion of counsel, with respect to the establishment of 160 acre drilling and spacing units, for Cordillera Corporation, the application in Cause No. 70-2 was recalled for consideration by this Board.

7. Sufficient evidence, now being available, on which to reach a decision, the Board issues the following:

ORDER

It is therefore Ordered by this Board as follows:

1. The application of Mesa Petroleum Company in the Cause for an order modifying the 320 acre spacing order for the Mississippian Formation, Lisbon Valley Area, San Juan County, Utah, is hereby denied.

2. The Order issued in Cause No. 70, dated May 11, 1962, with respect to the 320 acre drilling units established therein, is hereby vacated as to the following described lands:

TOWNSHIP 30 SOUTH, RANGE 25 EAST SLBM

| | |
|-------------|-----|
| Section 8: | All |
| Section 16: | All |
| Section 17: | All |
| Section 20: | All |
| Section 21: | All |
| Section 22: | All |
| Section 26: | All |
| Section 27: | All |
| Section 28: | All |
| Section 29: | All |
| Section 32: | All |
| Section 33: | All |
| Section 34: | All |
| Section 35: | All |
| Section 36: | All |

3. 160 acre drilling and spacing units be and the same are hereby established for the production of gas from the producing horizon of the Mississippian Formation underlying the Lisbon Valley Area and those lands hereinabove in the preceeding paragraph more particularly described.

4. The shape and pattern of such drilling and spacing units shall each consist of the quarter-sections, i.e., NE 1/4, NW 1/4, SW 1/4, SE 1/4, situate in each of the above designated sections.

5. No well drilled hereafter shall be located closer than one thousand feet from the exterior lines of the quarter section subdivision comprising the drilling unit upon which such well is to be located unless expressly authorized by this Board. The Staff, administratively, may grant an exception to the foregoing based on topographical conditions, pursuant to its Rule C-3(c), provided, however, that such well shall not be located closer than seven hundred and fifty feet from the exterior lines of the quarter section subdivision comprising the drilling unit upon which such well is to be located.

6. This Order shall become effective forthwith.

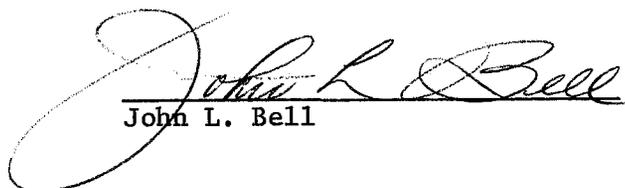
7. This Board retains continuing jurisdiction over all matters covered by this Order.

DATED this 25th day of January, 1978.

BOARD OF OIL, GAS, AND MINING
STATE OF UTAH


I. Daniel Stewart, Chairman


Charles R. Henderson


John L. Bell

Thadis W. Box