

BEFORE THE BOARD OF OIL, GAS, AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF ADOPTING AMENDMENTS TO)
FIELD RULE 2-1 AND 2-2, CAUSE NO. 2 AND)
102-5, WHICH RULES ESTABLISHED WILDCAT)
WELL SPACING FOR THE SEIBER-CISCO NOSE)
AREA, GRAND COUNTY, UTAH.)

FINDINGS AND ORDER
CAUSE 102-16

This cause came on for hearing before the Board of Oil, Gas, and Mining at 10:00 A.M. on Thursday, July 26, and August 22, 1979, in the Executive Conference Room, Holiday Inn, 1659 West North Temple, Salt Lake City, Utah. The following Board Members were present:

Charles R. Henderson, Chairman, Presiding
John L. Bell
Edward T. Beck
Ray Juvelin
Constance Lundberg
E. Steele McIntyre

Appearances were made as follows:

Louis Wells
Frank B. Adams
Dean Christensen
Don Quigley

NOW THEREFORE, the Board having heard the testimony of the witnesses and having considered the evidence and being advised in the premises, now makes and orders the following:

F I N D I N G S
* * * * *

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.
2. That 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. That the Dakota, Morrison and Cedar Mountain Formations underly the area under consideration.
4. That the sands of the Dakota, Morrison and Cedar Mountain Formations are lenticular in nature.

5. That most, if not all, of the operators in the area are of the opinion: (i) that it is not economically feasible to drill wells on the 40 acre or 640 acre wildcat spacing pattern as provided for in Rule C-3, General Rules and Regulations and Rules of Practice and Procedure; (ii) that extending the order in Cause No. 2 and 102-5 to include additional acreage will provide greater flexibility for future exploration.

6. That there is no unanimity among the operators with respect to the suggested amendments to Field Rule 2-2.

7. That, because of finding No. 6, no material change in Field Rule 2-2 will be made at this time.

IT IS THEREFORE ORDERED:

O R D E R
* * * * *

1. That the Board's order in Cause No. 2 and 102-5 is hereby revised as follows:

Field Rule 1-2 is hereby amended to read:

The spacing of all wells drilled for oil or gas which are within the following described area; to wit:

Township 18 South, Range 25 East
Sec: 25 through 36

Township 18 South, Range 26 East
Sec: 29 through 32

Township 19 South, Range 23 East
Sec: 19 through 36

Township 19 South, Range 24 East
Sec: All

Township 19 South, Range 25 East
Sec: All

Township 19 South, Range 26 East
Sec: 5 through 8

Township 20 South, Range 21 East
Sec: All

Township 20 South, Range 22 East
Sec: All

Township 20 South, Range 23 East
Sec: All

Township 20 South, Range 24 East
Sec: All

Township 20 South, Range 25 East
Sec: All

Township 21 South, Range 22 East
Sec: 11 through 12

Township 21 South, Range 23 East
Sec: All

Township 21 South, Range 24 East
Sec: All

and are not within a pool for which drilling units have been established shall be governed by Field Rule 2-2.

Field Rule 2-2 is amended to read:

"All wells drilled for the discovery of oil and/or gas which are not within a pool, reservoir, or field for which drilling units have been established or for which a petition for establishment of a drilling unit has been filed, shall be located not less than 300 feet from any property or lease line or 200 feet from the boundary of any legal subdivision comprising a governmental quarter-quarter-section or equivalent lot or lots of comparable size and location, and not less than 600 feet from any oil well, or less than 2640 feet from any gas well, unless otherwise specifically authorized by the Board after notice of hearing

Whenever an exception is granted by the Board, the Board may, at any time thereafter, take such action as will offset any advantage which the person securing the exception may obtain over the other producers in the area covered by Field Rule 1-2.

All previously drilled wells and all wells drilled in the future which:

1. are less than 1320 feet from the lease or property line and are classified as gas wells or

2. are less than 300 feet from the lease or property line and are classified as oil wells

may be offset, the same distance from the property line or a drilling unit may be established for said well if the Board of Oil, Gas and Mining finds, after notice and a hearing that correlative rights are being violated.

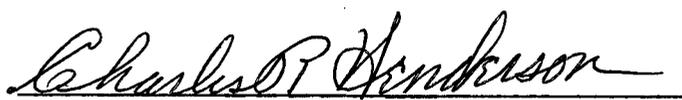
All notices of Intention to Drill must be accompanied by a plat on which is outlined the acreage covered by the lease on which the well is to be drilled

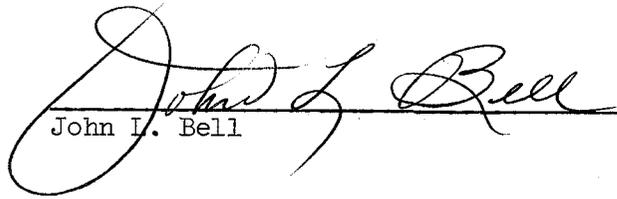
Rule 1-2 and Rule 2-2 are only applicable to wells drilled or to be drilled to a depth of 3500' or less.

2. That the board retains continuing jurisdiction over all matters covered by this order and particularly to make further orders as may be necessary under conditions and circumstances developed in the future.

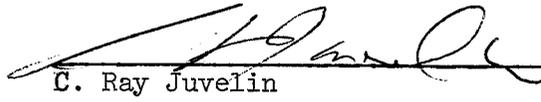
Entered this 22nd day of August 1979

STATE OF UTAH
BOARD OF OIL, GAS, AND MINING


Charles R. Henderson, Chairman, Presiding

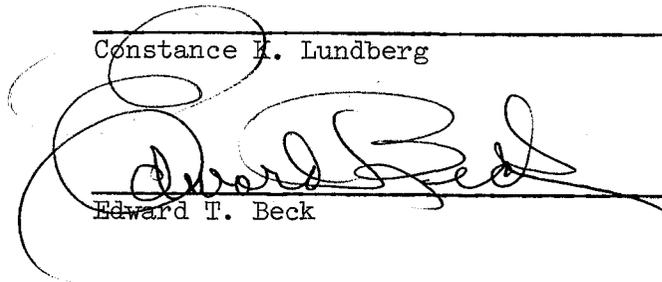

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