

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

IN THE MATTER OF THE PETITION *
OF TXO PRODUCTION CORP. FOR AN *
ORDER APPROVING THE LOCATION OF *
PETITIONER'S COYOTE BASIN *
FEDERAL NO. 2 WELL AS AN *
EXCEPTION TO THE LOCATION *
PRESCRIBED BY THIS BOARD'S *
ORDER ENTERED IN CAUSE NO. *
129-1; LOCATED IN THE SE1/4 *
NE1/4 SECTION 5, TOWNSHIP *
8 SOUTH, RANGE 25 EAST, S.L.M., *
UINTAH COUNTY, UTAH. *

FINDINGS AND ORDER

Docket No. 84-067
Cause No. 129-2

Pursuant to the Petition of TXO Production Corporation, this cause came on for hearing before the Board of Oil, Gas & Mining, Department of Natural Resources and Energy, State of Utah, on Thursday, October 25, 1984, at 10 o'clock a.m. in the auditorium of the Department of Natural Resources, 1636 West North Temple, Salt Lake City, Utah. The following Board members were present:

Gregory P. Williams, Chairman
Richard B. Larsen
John M. Garr
E. Steele McIntyre
Constance K. Lundberg
James W. Carter
Charles R. Henderson

Also present representing the Board was David S. Christensen, Assistant Attorney General.

Appearances for the Division of Oil, Gas & Mining were made by:

Dr. Dianne Nielson, Director
Ronald J. Firth, Associate Director, Oil & Gas
John R. Baza, Petroleum Engineer
Barbara W. Roberts, Assistant Attorney General

Appearance for the petitioner was made by: John A. Harja of Hugh C. Garner & Associates, 310 South Main, Suite 1400, Salt Lake City, Utah 84101.

Testimony was given by:

Russ E. Gillis; Reservoir Engineer, for Petitioner
Ricky J. Taylor; Geologist, for Petitioner
Thomas A. Mitchell; Attorney-at-Law, for Petitioner

FINDINGS

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:

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties as required by the law and the Rules and Regulations of the Board, including personal service of a Notice of Hearing upon all parties having an interest in the tracts of land contiguous to and cornering upon the subject lease as listed in Exhibit "A" of the Petition.

2. The Board has jurisdiction over the subject matter of the Petition and over all parties interested therein and has

jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Board entered its Order in Cause No. 129-1, to provide for drilling units consisting of the W1/2 NE1/4 and the E1/2 NE1/4 of said Section 5, for wells testing the Green River Formation. Said Order provides that "the location of a permitted well . . . shall be at a location approximating the center of the NE1/4 and the SW1/4 of each quarter section". Said Order further provides that the permissible drilling location "shall be located not closer than 500 feet from the exterior lines of the legal subdivision within which the permitted well is to be located."

4. Pursuant to the terms of said Order, wells were drilled at the permitted locations in the SW1/4 NE1/4 and the NE1/4 NE1/4 of said Section 5. The well drilled in the SW1/4 NE1/4 is presently producing oil and/or gas. The well drilled in the NE1/4 NE1/4 was plugged and abandoned.

5. Geologic evidence indicates the Green River Formation underlies the SE1/4 NE1/4 of Section 5, and that the proposed well will be well situated to maximize production from said formation, prevent waste and protect correlative rights.

6. Upon request of the Bureau of Land Management, Petitioner moved the location of the proposed Coyote Basin Federal No. 2 Well 30 feet west of the original location to a point 849 feet

from the east line of the NE1/4, which point is within 500 feet of the west side of the drilling unit comprising the E1/2 NE1/4 of said Section 5.

7. On oral motion of counsel for TXO Production Corp. said Petition was amended to request approval of the new location of the proposed well, pursuant to the terms of the Order issued in Cause No. 129-1.

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:

1. Based upon the geologic evidence presented, and to protect correlative rights and prevent waste, the Order issued in Cause No. 129-1 is amended insofar as it concerns the drilling unit comprising the E1/2 NE1/4, Section 5, Township 8 South, Range 25 East, S.L.M. so as to allow the permitted well location within said unit to be located at a point 849 feet FEL and 2085 FNL, said point

within the SE1/4 NE1/4 of said Section 5, all other provisions of the Order issued in Cause No. 129-1 to remain unchanged.

DATED this 7th day of December, 1984.

STATE OF UTAH
BOARD OF OIL, GAS & MINING



Gregory P. Williams, Chairman

Approved as to form:



David S. Christensen
Assistant Attorney General

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OF PETITIONER'S COYOTE BASIN
FEDERAL NO. 2 WELL AS AN
EXCEPTION TO THE LOCATION
PRESCRIBED BY THIS BOARD'S
ORDER ENTERED IN CAUSE NO. 129-1;
LOCATED IN THE SE 1/4 NE 1/4
SECTION 5, TOWNSHIP 8 SOUTH,
RANGE 25 EAST, S.L.M., UINTAH
COUNTY, UTAH.

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FINDINGS AND ORDER

Docket No. 84-067
Cause No. 129-2

Petitioner's Verified Petition to allow service by Certified Mail was heard ex parte before John M. Garr, Member of the Utah Board of Oil, Gas and Mining on September , 1984. Mr. Garr having considered the Petition and being advised in the premises, now makes and orders the following:

FINDINGS

1. Petitioner has petitioned the Board for an Order which would grant an exception to the well locations prescribed by Cause No. 129-1 so as to permit the drilling of the Coyote Federal No. 2 well in the SE1/4 NE1/4 rather than in the approved NE1/4 NE1/4 of said Section 5, all other provisions of the Order issued in Cause No. 129-1 to remain the same.

2. The Petitioner is required to personally serve a copy of the Petition and Notice of Hearing on all persons whose property interests may be affected by the Petition.

3. Glen M. Hedge, Charles A. Carroll, Jr., and SECO ENE Corp. own leasehold interests in tracts of land contiguous with and cornering on the tract involved in the Petition.

4. Said individuals and entity have no officer or agents upon whom process can be served in the State of Utah.

5. Attempts to obtain personal service in Utah would therefore not be efficacious.

6. Said individuals' and entity's addresses are:

Glen M. Hedge
Box 926
Galveston, TX 77553

Charles A. Carroll, Jr.
11 Broadway, 9th Floor
New York, NY 10004

SECO ENE Corp.
404 Petroleum Building
Casper, Wyoming 82601

7. Service by certified mail is just as likely to give actual notice as service by publication.

ORDER

THEREFORE, IT IS HEREBY ORDERED:

1. TXO Production Corporation's Verified Petition to Allow Service by Certified Mail on said individuals and entity is hereby granted.

DATED this 17th day of September, 1984.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING


~~John M. Carr~~
James W. Carter