

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

IN THE MATTER OF THE PETITION OF)	
SAM OIL, INC. FOR AN ORDER)	FINDINGS OF FACT,
MODIFYING ORDER 131-55 ONLY SO)	CONCLUSIONS OF LAW
FAR AS SAID CAUSE AFFECTS SECTION)	AND ORDER
24, TOWNSHIP 1 SOUTH, RANGE 1)	
WEST, UINTAH SPECIAL MERIDIAN,)	Docket No. 85-006
UINTAH COUNTY, UTAH)	Cause No. 131-64

Pursuant to the petition of Sam Oil, Inc., this cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah ("Board") on Friday, April 26, 1985, at the hour of 10:00 a.m., at the Four Seasons Convention Center, St. George, Utah.

The following members of the board were present:

Gregory P. Williams, Chairman
John M. Garr
Charles R. Henderson
Richard B. Larsen
E. Steele McIntyre
James W. Carter, having recused himself, did not participate.

Mark C. Moench, Assistant Attorney General, participated on behalf of the Board.

Members of the staff of the Division of Oil, Gas and Mining ("Division") present and participating in the hearing included:

Dr. Dianne R. Nielson, Director
Ronald J. Firth, Associate Director, Oil and Gas

Appearances were made for Sam Oil, Inc. by James R. Hall, Esq., Roosevelt, Utah, and Nicholas F. McKean, Esq., Mosier and McKean, Salt Lake City, Utah, for Joseph Fazzio and Maxine Fazzio, Respondents.

Now, therefore, the Board having considered the testimony of witnesses, Steven A. Malnar, President of Sam Oil, Inc., Lewis F. Wells, Geologist and Petroleum Engineer, Mark B. Oberhansly and John H. Houston, landowners, for and in behalf of Sam Oil, Inc., and having examined the exhibits received at the hearing and being fully advised in the premises, now makes and enters the following:

FINDINGS OF FACT

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 of the Board.
2. The Board has jurisdiction over the matters covered by said notice and over all parties interested therein and has jurisdiction to make and promulgate any order hereinafter set forth.
3. The Board has heretofore entered an order spacing 400 acres as a single drilling unit, effective March 22, 1984, in Cause No. 131-55, in Section 24, Township 1 South, Range 1 West, Uintah Special Meridian, Uintah County, Utah, said lands described as follows:

Section 24: S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$: and the SE $\frac{1}{4}$

4. This cause seeks to modify said order to establish two drilling units consisting of 200 acres, as follows:

Township 1 South, Range 1 West, Uintah Special Meridian: Section 24: Drilling Unit A: East 40 acres of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$, (containing 200.0 acres, more or less); Drilling Unit B: S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, West 40 acres of the E $\frac{1}{2}$ SW $\frac{1}{4}$ (containing 200.0 acres, more or less).

5. The interval to be spaced which is hereafter referred to as the Lower Green River/Wasatch formations is more specifically defined as follows:

That interval below the stratigraphic equivalent of 9,600 feet depth in the "E" Log of the Carter #2 Bluebell Well located in the SW $\frac{1}{4}$ NW $\frac{1}{4}$, Section 3, Township 1 South, Range 2 West, USM (which equivalence is the depth 9,530 feet of the SP curve, Dual Induction Log, run March 25, 1968, in the Chevron #1 Blanchard Well located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of said Section 3), to the base of the Green River Formation.

6. Geological and engineering information indicates that productive beds of the Lower Green River/Wasatch formations are not correlatable from well to well, and will not result in communication between wells located further than 1200 feet from a well bore.

7. That the drilling of wells within the drilling units applied for will increase the ultimate recovery of oil and or gas from the area and will afford protection for correlative rights of adjacent landowners.

CONCLUSIONS OF LAW

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 of the Board.

2. The Board has jurisdiction over the matters covered by the application as set forth in the notice and over all parties that are interested therein and has jurisdiction to make and promulgate any order hereinafter set forth.

3. The Board is authorized to modify its previous order and to permit the spacing as requested under the provisions of Utah Code Annotated, Section 40-6-6 (4), 1953, as amended. The Board has authority to modify said order to establish two drilling units consisting of 200 acres, described as follows:

Township 1 South, Range 1 West, Uintah Special Meridian: Section 24: Drilling Unit A: East 40 acres of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$, (containing 200.0 acres, more or less); Drilling Unit B: S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, West 40 acres of the E $\frac{1}{2}$ SW $\frac{1}{4}$ (containing 200.0 acres, more or less).

4. An order modifying the ruling as set forth in Cause No. 131-55, and establishing a 200 acre drilling unit will prevent the waste of hydrocarbons, provide for the maximum ultimate recovery of oil and or gas, and will afford protection of correlative rights.

ORDER

IT IS THEREFORE ORDERED;

1. That the order in Cause No. 131-55 is hereby vacated with respect to Section 24, Township 1 South, Range 1 West, Uintah Special Meridian, Uintah County, Utah.

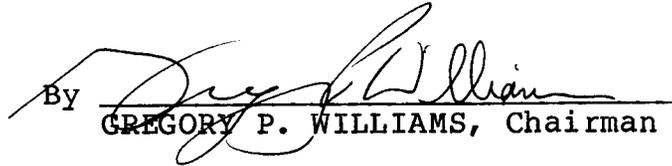
2. That two drilling units are hereby established for the development and production of oil and or gas and other hydrocarbons from the Lower Green River/Wasatch formations underlying the following described land, to wit:

Township 1 South, Range 1 West, Uintah Special
Meridian: Section 24: Drilling Unit A: East 40 acres
of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$, (containing 200.0 acres, more
or less); Drilling Unit B: S $\frac{1}{2}$ NW $\frac{1}{4}$, W $\frac{1}{2}$ SW $\frac{1}{4}$, West 40 acres
of the E $\frac{1}{2}$ SW $\frac{1}{4}$ (containing 200.0 acres, more or less).

That the location of a well shall not be less than
1200 feet from the exterior boundary of the drilling units.

DATED this 31st day of May, 1985.

STATE OF UTAH
BOARD OF OIL, GAS AND MINING

By 
GREGORY P. WILLIAMS, Chairman

Approved as to form:


NICHOLAS F. MCKEAN, Esq.
Attorney for Respondents

Approved as to form:


MARK C. MOENCH
Assistant Attorney General

THE RECORD IN THIS ORDER REFLECTS THAT THE FOLLOWING MEMBERS OF THE
BOARD APPROVED THE PETITION AS FILED WITH THE PROPOSED WELL LOCATION:

JOHN M. GARR, CHARLES R. HENDERSON, RICHARD B. LARSEN, AND
E. STEELE McINTYRE.

CHAIRMAN GREGORY P. WILLIAMS VOTED IN OPPOSITION TO THE PETITION.

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DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH

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SAM OIL, INC., FOR AN ORDER)	FINDINGS OF FACT
MODIFYING ORDER 131-55 ONLY SO)	CONCLUSIONS OF LAW
FAR AS SAID CAUSE AFFECTS SECTION)	AND ORDER
24, TOWNSHIP 1 SOUTH, RANGE 1)	
WEST, UINTAH SPECIAL MERIDIAN,)	Docket No. 85006
UINTAH COUNTY, UTAH)	Cause No. 131-64

Pursuant to the application of Sam Oil., Inc., this cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Friday, April 26, 1985, at the hour of 10:00 A. M., at the Four Seasons Convention Center, St. George, Utah.

The following members of the Board were present:

- Gregory P. Williams, Chairman
- Charles R. Henderson
- Richard B. Larsen
- E. Steele McIntyre
- James W. Carter
- James M. Garr, having excused himself, did not participate

Members of the Staff of the Division present and participating

in the hearing included:

- Dr. Dianne R. Nielsen, Director
- Ronald J. Firth, Associate Director
- John R. Baza, Petroleum Engineer.

Appearances were made for Sam Oil, Inc., by James R. Hall, Esq., Roosevelt, Utah, and Nicholas F. McKean, Esq., Mosier & McKean, Salt Lake City, Utah, for Joseph Fazzio and Maxine Fazzio, protestants.

Now therefore, the Board having considered the testimony of witnesses, Steven A. Malnar, President of Sam Oil, Inc., Lewis F. Wells, Geologist and Petroleum Engineer, Mark B. Oberhansly and John Houston, Landowners, for and in behalf of Sam Oil, Inc., and having examined the exhibits received at the hearing and being fully advised in the premises, now makes and enters the following:

FINDINGS OF FACT

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 of the matters covered by the said notice and over all parties inteested therein and has jurisdiction to make and promulgate any order hereinafter set forth.

3. That the Board has heretofore entered an order spacing 400 acres as a drilling unit, effective March 22, 1984, in Cause No. 131-55, in Section 24, Township 1 South, Range 1 West, Uintah Special Meridian, Uintah County, Utah, said lands described as follows:

Section 24: S $\frac{1}{2}$ NW $\frac{1}{4}$; SW $\frac{1}{4}$; and the SE $\frac{1}{4}$.

4. That this cause seeks to modify said order to establish a drilling unit consisting of 200 acres, as follows:

Township 1 South, Range 1 West, Uintah Special Meridian:

Section 24: East 40 acres of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$, 200 acres.

5. That geological and engineering information indicates that productive beds of the Green River/~~Wasatch~~ formations are not correlatable from well to well, and will not result in ~~commu~~nication between wells located

400 acres
into 2 - 200
acre units -
describe
remaining lands
Para 4

Para 5
stratigraphic -
~~at present~~
lower Green River/
Wasatch 40 of
orig order or
acre stated

and or gas from an area further than 1200 feet from a well bore.

6. That the drilling of a well within the drilling unit applied for will increase the ultimate recovery of oil and or gas from the area and will afford protection for correlative rights of adjacent landowners.

CONCLUSIONS OF LAW

As Conclusions of Law from the foregoing, the Board Finds:

1. That 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. That the Board has jurisdiction over the matters covered by the said application as set forth in the notice and over all parties that are interested therein and has jurisdiction to make and promulgate any order hereinafter set forth.

3. That the Board is authorized to modify its previous order and to permit the spacing as requested under the provisions of Utah Code Annotated, Section 20-6-6 (4), 1953, as amended.

4. That an order modifying the ruling as set forth in Cause No. 131-55, and establishing a 200 acre drilling unit will prevent the waste of hydrocarbons, provide for the maximum ultimate recovery of oil and or gas, and will afford protection for correlative right.

ORDER

IT IS THEREFORE ORDERED:

1. That the Order in Cause No. 131-55 is hereby vacated with respect to Section 24, Township 1 South, Range 1 West, Uintah Special Meridian, Uintah County, Utah.

2. That a drilling unit is hereby established for the development

and production of oil and or gas and other hydrocarbons from the Green River/
Wasatch formations underlying the following described land, to wit:

Township 1 South, Range 1 West, Uintah Special Meridian:

Section 24: East 40 acres of the SW $\frac{1}{4}$ and the SE $\frac{1}{4}$, consisting
of 200 acres.

3. That the location of a well shall not be less than 1200 feet
from the exterior boundary of the said tracts.

Dated this _____ day of May, 1985.

BOARD OF OIL, GAS & MINING

By _____
GREGORY P. WILLIAMS, Chairman

Approved as to form:

_____.

CERTIFICATE OF MAILING

I hereby certify that a copy of the foregoing was mailed to the following named on this the 20th day of May, 1985, by depositing copies thereof in the United States mails, postage prepaid, addressed as follows:

Phillips Petroleum Co.
Phillip Wm. Lear
Van Cott, Bagley, Cornwall & McCarthy
50 South Main #1600
Salt Lake City, Utah 84144

Nicholas F. McKean
Mosier & McKean
8 East Broadway - 610
Salt Lake City, Utah 84111

Bow Valley Petroleum, Inc.
1700 Broadway, Suite #900
Denver, Colorado 80290

Badger Oil Corporation
P. O. Drawer 52745
Lafayette, Louisiana 70505

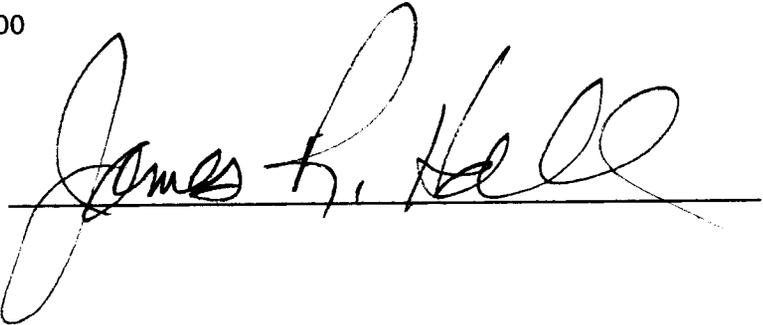
Utex Oil Company
P. O. Box 1294
Bismark, North Dakota 58501

Claude B. Hammill
1118 City National Bank Building
Houston, Texas

J. S. Abercrombie Mineral Co., Inc.
P. O. Box 27339
Houston, Texas

John D. Chasel
2285 Lucky John Drive
Park City, Utah 84060

Quinex Energy Corporation
225 East 4800 South, Suite 100
Salt Lake City, Utah 84117



James H. Hall