

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 WESGRA CORPORATION FOR AN |) | |
| ORDER EXTENDING PRIOR ORDERS OF |) | ORDER |
| THE BOARD IN CAUSE NO. 156-1 TO |) | |
| GRANT UNRESTRICTED SPACING IN SHALLOW |) | |
| ZONES OF MEXICAN HAT, UTAH, OILFIELD |) | CAUSE NO. 156-2 |
| LOCATED IN TRACT B OF SECTION 8, |) | |
| TOWNSHIP 42 SOUTH, RANGE 19 EAST, |) | |
| S. L. MER. SAN JUAN COUNTY, STATE |) | |
| OF UTAH |) | |

Pursuant to Notice of Hearing dated October 6, 1978, of the Board Oil, Gas and Mining Department of Natural Resources of the State of Utah, this Cause came on for hearing Cleon B. Feight, acting as herein examiner for the full Board at 10:00 a.m. on Tuesday, October 24, 1978, in the Executive Conference Room of the Holiday Inn, 1659 West North Temple, Salt Lake City, Utah.

Appearing for the applicant was Donald K. Groom, Attorney at Law, of Oklahoma City, Oklahoma, and W. E. Skeen and Robert Lauth, Certified Registered Geologist, as witnesses.

NOW, THEREFORE, having considered the testimony presented to their hearing examiner and the exhibits received at said hearing, and being fully advised in the premises, and all persons appearing before the hearing examiner being in favor of the application the Board 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 in the form and manner and within the time required by law and the rules and regulations of the Board.

2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. That the principal producing sand or zone in this area is the Goodridge Sand producing from shallow sand and low pressure.

4. That there has been no systematic development through the Mexican Hat area.

5. That all available geological and engineering data concerning the Mexican Hat area indicates that this is primarily an oil producing area of fairly shallow sand and low pressure.

6. By Order entered in Cause No. 156-1 dated September 25, 1974, the Board established five-acre spacing for drilling wells and not less than two hundred feet from any property or lease line or 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 330 feet from any producible oil well, unless otherwise specifically permitted by order of the Board after notice and hearing.

7. That the oil wells producing on the tract in Section 8, Township 42 South, Range 19 East, S.L. Mer. in San Juan County, State of Utah are all producing from the Goodridge producing sand.

8. That the Goodridge formation is confined to certain pockets of permeability and porosity requiring the drilling of holes in an irregular pattern in order to drain all of the recoverable oil and associated hydrocarbons from said formation.

9. That the Order of this Board should be confined to extending and amending the Order in Cause No. 156-1 granted September 27, 1974, insofar as and only insofar as the Goodridge formation in Section 8 is concerned.

O R D E R

IT IS THEREFORE ORDERED:

A. That an exception is hereby granted to the provisions of Rule C-3, General Rules and Regulations, so as to permit the drilling of wells on unrestricted spacing to best accommodate the prevention of waste and protection of correlative rights in the development of the field and to maximize ultimate future recovery of oil and associated hydrocarbons insofar as and only insofar as the Goodridge formation in Section 8, Township 42 South, Range 19 East, S. L. Mer. in San Juan County, State of Utah is concerned.

B. That no well shall be drilled less than 50 feet from any property or lease line or from the boundary of any legal subdivision comprising a governmental quarter-quarters section or equivalent lot or lots of comprable size and the location unless otherwise specifically permitted by order of the Board after notice and hearing and the Order of this Board in Cause No. 156-1 is hereby amended accordingly.

C. That this Order is a temporary order and the Board, on its own motion or the motion of any interested party, may file an application requesting a hearing to present new evidence covering the matter set forth herein.

D. That the Board retains continuing jurisdiction of all matters covered by this Order and particularly retains continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

ENTERED AND EFFECTIVE this 24th day of October, 1978.

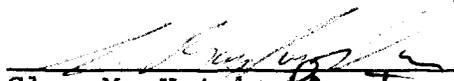
BOARD OF OIL, GAS AND MINING
OF THE STATE OF UTAH

I. Daniel Stewart, Chairman

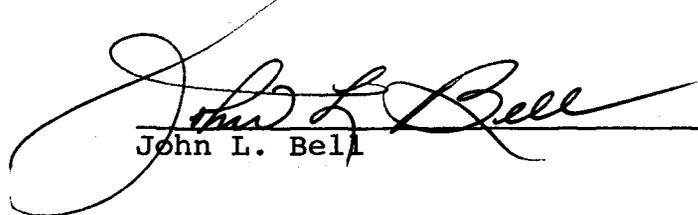


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