

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

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IN THE MATTER OF THE APPLICATION	*	ORDER
OF HUSKY OIL COMPANY FOR AN	*	
ORDER ESTABLISHING DRILLING	*	CAUSE NO. 205-1
AND SPACING UNITS FOR THE KAIBAB	*	
FORMATION UNDERLYING THE SE/14	*	
OF SECTION 25, TOWNSHIP 19 SOUTH,	*	
RANGE 7 EAST, S.L.M., EMERY	*	
COUNTY, UTAH	*	

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Pursuant to the Application of Husky Oil Company, this Cause came on for hearing before the Board of Oil, Gas and Mining, Department of Natural Resources, State of Utah, on Friday, April 29, 1983 at 8:30 A.M. in Room 320 of the State Capitol Building, Salt Lake City, Utah. The following Board members were present:

Charles R. Henderson, Chairman  
Herm Olsen, Presiding  
Margaret Bird  
E. Steele McIntyre  
John L. Bell  
Robert R. Norman

Appearances were made as follows: for Husky Oil Company (Applicant) James W. Carter, Esq., 310 South Main Street, Suite 1400, Salt Lake City, Utah, 84101.

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:

FINDINGS

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 over the subject matter of said Application and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The Kaibab Formation is believed to underly the above described land and to constitute a source of supply of oil.

4. All presently available geological and engineering data concerning the area suggests that one well will adequately drain all recoverable oil from each zone underlying 160 surface acres of the above described area and that 160 surface acres is the probable maximum area that may be drained efficiently and economically by one well.

5. In order to avoid the drilling of unnecessary wells, to protect the correlative rights of all the parties concerned, to insure proper and efficient development and to promote conservation of the hydrocarbon resources of the state, a conditional order should be made establishing a drilling and spacing unit for the production of oil from the Kaibab Formation underlying the SE1/4 of Section 25, Township 19 South, Range 7 East, S.L.M.

Sufficient evidence now being available upon which to reach a decision, and in the absence of any objections, the Board issues the following:

ORDER

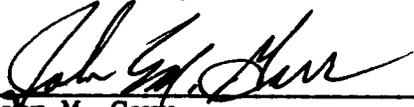
IT IS HEREBY ORDERED by this Board as follows:

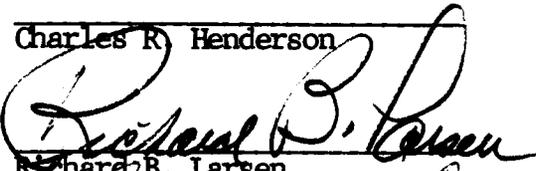
To prevent the waste of oil, gas and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights and to establish drillings units of uniform size and shape, the Board hereby conditionally establishes a single drilling and spacing unit of 160 acres comprising the SE1/4 of Section 25, Township 19 South, Range 7 East, S.L.M., according to the government survey of the above described lands. This Order shall be made permanent if, upon completion and testing of the well to be drilled upon the subject lands, the inferred geological and engineering characteristics of the objective formation are confirmed.

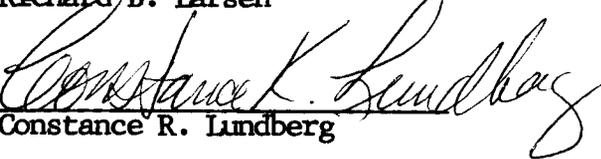
One well may be drilled and completed for production on said drilling unit. The permitted well for the drilling unit shall be located consistent with 160-acre spacing, and shall be located not nearer than 1,000 feet from the spacing unit boundary with a 500-foot tolerance to be granted administratively for geological and/or topographical exceptions, and no closer than 2,500 feet from any producing well in an adjacent area, and that a 500-foot tolerance be permitted in the footage between wells in the event surface obstructions or undue hazards are encountered.

DATED this 23rd day of June, 1983.

STATE OF UTAH  
BOARD OF OIL, GAS AND MINING

  
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John M. Gatt

Charles R. Henderson  
  
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Richard B. Larsen

  
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Constance R. Lundberg

  
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E. Steele McIntyre

  
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Dianne R. Nielson

  
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Gregory P. Williams