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**FILED**

**DEC 13 2018**

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*Attorneys for Utah Board of Oil, Gas and Mining*

**BEFORE THE UTAH BOARD OF OIL, GAS AND MINING**

**IN THE MATTER OF THE NOTICE OF  
AGENCY ACTION FOR AN ORDER  
FORFEITING SURETY BOND NO.  
RLB0012264 PROVIDED BY HEWITT  
OPERATING INC. AND AUTHORIZING  
THE DIVISION TO PLUG AND  
RECLAIM THE LIBERTY #1 WELL API  
43-023-30020 LOCATED IN SECTION 34,  
TOWNSHIP 12 SOUTH, RANGE 1 EAST,  
JUAB COUNTY, UTAH**

**STIPULATION BETWEEN UTAH  
BOARD OF OIL, GAS AND MINING  
AND RESPONDENT AND ORDER  
STAYING RECLAMATION**

**Docket No. 2017-020**

**Cause No. 274-02**

Entrada Energy Corporation (“Entrada”) and Hewitt Operating Inc. (“Hewitt”) (together, “Respondent”) and the Utah Board of Oil, Gas and Mining (the “Board”), sometimes referred to herein as a “Party” or collectively as “Parties” hereby enter into this stipulation.

The Parties state as follows:

1. The Board issued an Order dated May 3, 2018 in the above-referenced docket (“Order”) regarding Liberty #1 Well (“Well”).
2. Entrada is the Operator of the Well.
3. Hewitt posted a \$30,000 surety bond No. RLB0012264 for the Well in November 2008 (“Bond”). RLI Insurance Company is the surety.
4. The Board’s Order determined that “Hewitt never achieved production from the Subject Well, thus, it failed to plug the Subject Well after a five-year period of non-activity or non-productivity. *Id.* R649-3-36.3.” Order at Paragraph 32.
5. The Board’s Order stated that Hewitt should plug the Well or have the Division of Oil, Gas & Mining (“Division”) perform this work. Order at Pages 11-12.
6. Respondent has appealed the Board’s Order to the Utah Supreme Court which the Court then referred to the Utah Court of Appeals in Appellate Case No. 20180634-CA (“Appeal”) and the Appeal is in the briefing stage.
7. The Division made a demand on the Bond with RLI Insurance Company and on November 7, 2018, the Division received a check for the \$30,000 bond amount.
8. The Division deposited the Bond into Fund 7315 – Dept 560 – Unit 9160 – Appr Unit 7315 – Program GBHEWITT with Wells Fargo Bank (“Division Account”).
9. Respondent filed a Motion to Stay Reclamation of Well and Execution on Bond Pending Appeal and Briefing on Appeal on November 6, 2018.
10. There is separate related litigation regarding the right to develop the oil and gas resources in the area of the Well, Case Nos: 170600011 (Consolidated with Case Nos. 170600012 and 170600013) in the District Court of Utah, Fourth Judicial District Juab County (“Litigation”).

The Parties stipulate as follows:

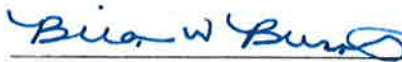
1. The Parties will sign and file a Stipulation and Motion to Suspend Briefing Schedule with the Utah Court of Appeals in the form as attached hereto as Exhibit A (“Stipulation”).
2. The filing with the Utah Court of Appeals will stay the briefing schedule in the Appeal and assist the Litigation to proceed.
3. For good cause shown, either Party may limit the length of time the Stipulation is in effect before the Utah Court of Appeals by providing notice to the other Party. Upon issuance and/or receipt of the aforesaid notice, Respondent will have thirty (30) days to file its initial brief with the Utah Court of Appeals.
4. The Board hereby Orders the Division to stay the reclamation of the Well while the Stipulation is in effect.
5. The Board hereby Orders the Division to hold the Bond in the Division Account with Wells Fargo Bank while this Stipulation is in effect.
6. While the Stipulation is in effect, the Parties agree that Respondent maintains the ability to access the well, check pressure valves, and perform regular maintenance of the site to ensure no future harm to the public or environment.
7. As a condition precedent to execution of the Stipulation, the Parties agree to allow an inspection by the Division of the Well and/or the lands that are the subject of this matter.
8. Said inspection will occur on or before December 14, 2018. There will be subsequent inspections as deemed by the Division to be appropriate.
9. In the event the Division finds that any condition on the subject lands and Well site pose a danger to the health and welfare of nearby residents, the City of Nephi, and/or the

environment, the Board will immediately notify Respondent pursuant to Paragraph 3 of this Stipulation and will take such further action as warranted.

10. Apart from the orders by the Board specified herein which are intended to preserve the *status quo*, until the terms and conditions of this Stipulation elapse, the Parties stipulate and agree that any and all ruling(s) and/or order(s) pertaining to the merits of the pending "Motion to Stay Reclamation of Well and Execution of Bond Pending Appeal and Briefing on Appeal" are also stayed during pendency of this Stipulation.

DATED this 13<sup>th</sup> day of December, 2018.

KIRTON MCCONKIE



Brian W. Burnett  
David A. Jaffa  
*Attorneys for Respondent Hewitt*

DATED this 13 day of December, 2018.

UTAH ATTORNEY GENERAL'S OFFICE  
NATURAL RESOURCES DIVISION



Mike Begley  
Emma Whitaker  
*Attorneys for Utah Board of Oil, Gas and Mining*

DATED this 13th day of December, 2018.

UTAH BOARD OF OIL, GAS AND MINING



Rutland Gill  
*Chairman, Utah Board of Oil, Gas and Mining*

**CERTIFICATE OF SERVICE**

I hereby certify that on 13<sup>th</sup> day of December, 2018, I caused a true and correct copy of the foregoing **STIPULATION BETWEEN UTAH BOARD OF OIL, GAS AND MINING AND RESPONDENT AND ORDER STAYING RECLAMATION** to be served VIA EMAIL to the following:

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**IN THE UTAH COURT OF APPEALS**

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HEWITT OPERATING, INC.,

Petitioner

v.

BOARD OF OIL, GAS AND MINING,

Respondents

**STIPULATION AND MOTION TO  
SUSPEND BRIEFING SCHEDULE**

Appeal No.: 20180634-CA

Agency Decision No.: 274-02

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Pursuant to Rule 23(a) of the Utah Rules of Appellate Procedure, the parties to this appeal stipulate that the briefing schedule in this matter be suspended indefinitely and

move that the Utah Court of Appeals issue an Order to that effect. Because there is separate litigation that may affect the right to develop the oil and gas resources in the area of the Well, Case Nos: 170600011 (Consolidated with Case Nos. 170600012 and 170600013) in the District Court of Utah, Fourth Judicial District Juab County, good cause exists to stay the briefing schedule to allow the separate litigation to proceed.<sup>1</sup> The parties will notify the Court if briefing in this matter should proceed, wherein Petitioner will have thirty (30) days to file its brief in this appeal.

DATED this \_\_\_\_ day of December, 2018.

KIRTON MCCONKIE

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Brian W. Burnett  
David A. Jaffa  
*Attorneys for Petitioner*

DATED this \_\_\_\_ day of December, 2018.

UTAH ATTORNEY GENERAL'S OFFICE  
NATURAL RESOURCES DIVISION

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Mike Begley  
Emma Whitaker  
*Attorneys for Respondent*

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<sup>1</sup> The litigation involves the right to develop the oil and gas resources for this area which may render this appeal moot.

## CERTIFICATE OF SERVICE

I hereby certify that on this \_\_\_\_ day of December, 2018, I caused a true and correct copy of the foregoing **STIPULATION AND MOTION TO SUSPEND BRIEFING SCHEDULE** to be e-mailed to the following:

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