

NORTH DAKOTA INDUSTRIAL COMMISSION

DIRECTOR'S
ORDER NO. 258

IN THE MATTER OF THE APPLICATION OF
CONOCO INC. FOR AN ADMINISTRATIVE ORDER
OF THE DIRECTOR ALLOWING PRODUCTION
FROM ALL WELLS IN THE DICKINSON-
LODGEPOLE POOL, STARK COUNTY, NORTH
DAKOTA, TO BE PRODUCED SEQUENTIALLY, ON
AN INDIVIDUAL BASIS, INTO A COMMON TANK
BATTERY OR PRODUCTION FACILITY AND SUCH
FURTHER AND ADDITIONAL RELIEF AS THE
COMMISSION DEEMS APPROPRIATE.

ADMINISTRATIVE ORDER OF THE DIRECTOR

The Industrial Commission ("Commission") has jurisdiction over the application of Conoco Inc. ("Conoco") for an administrative order of the Director allowing wells in the Dickinson-Lodgepole Pool to produce into a central production facility.

THE DIRECTOR FINDS:

(1) That Conoco is the owner of an oil and gas leasehold interest in the following described tracts of land in Stark County, North Dakota:

N/2 Section 5, T.139N., R.96W.
N/2 Section 31, T.140N., R.96W.
S/2 Section 31, T.140N., R.96W.
W/2 Section 32, T.140N., R.96W.

All of the tracts are within the boundary of the Dickinson Field and each tract constitutes a spacing unit for the Lodgepole Pool.

(2) That in its Order No. 6607 the Commission set spacing for the development of the Dickinson-Lodgepole Pool at one well for each 320-acres.

(3) That Conoco has drilled and completed four wells in the Dickinson-Lodgepole Pool. The wells and their spacing units are as follows:

Dickinson State #74 - W/2 Section 32, T.140N., R.96W.
Kadmas #75 - S/2 Section 31, T.140N., R.96W.
Frendzel #79 - N/2 Section 31, T.140N., R.96W.
Dickinson State "A" #83 - N/2 Section 5, T.139N., R.96W.

There is diverse ownership between each of the spacing units for the four wells.

(4) That Conoco proposes to convert the tank battery located at the site of the Dickinson State #74 well in the SW NW of said Section 32 to a central production facility for the Dickinson-Lodgepole Pool production ("Dickinson-Lodgepole Central Production Facility").

(5) That Conoco requests permission to produce fluids from the four above listed wells into the Dickinson-Lodgepole Central Production Facility. The wells will be produced sequentially, on an individual basis through a common treater and separator into the Dickinson-Lodgepole Central Production Facility.

(6) That production from the wells will not be commingled at the

facility at any time prior to sale. No more than one well will produce during any given time period into the facility, after which said production will be metered and sold before any other well is put on production and allowed to produce into the facility.

(7) That producing the forementioned wells into the facility in the manner set forth above will provide for accurate measurement of the oil, gas, and water produced from each well.

(8) That this method of producing and metering of fluids produced from the forementioned wells is temporary pending further arrangements.

(9) That granting the application will prevent waste in a manner that will protect the correlative rights of all owners.

IT IS THEREFORE ORDERED:

(1) That Conoco is hereby permitted to convert the tank battery located at the site of the Dickinson State #74 well in the SW NW of said Section 32 into the Dickinson-Lodgepole Central Production Facility. Moreover, Conoco is permitted to produce fluids from the four wells listed in (3) of the findings into the facility.

(2) That commingling of production from the four wells in the facility is prohibited.

(3) That the wells shall be allowed to produce sequentially, on an individual basis through a common separator and treater into the facility.

(4) That no more than one well shall produce during any given time period into the facility after which said production will be metered and sold before any other well is put on production and allowed to produce into the facility.

(5) That Conoco shall complete and file with the Commission the Dickinson-Lodgepole Production Summary Form that is attached to and a part of Conoco's application. The form shall be filed at the same time as the monthly oil production report (Form 5).

(6) That this order shall be effective at 7:00 a.m. on the 1st day of February 1994, and shall terminate at 7:00 a.m. on August 1, 1994.

Dated this 12th day of January, 1994.

/s/ Wesley D. Norton
Wesley D. Norton
Director