

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 1121  
ORDER NO. 1202

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN ORDER FINDING THAT THE PLAN OF UNITIZATION FOR THE DICKINSON HEATH SAND UNIT HAS BEEN SIGNED, RATIFIED OR APPROVED BY LESSEES AND ROYALTY OWNERS OWNING THE REQUIRED PERCENTAGE INTEREST IN AND TO THE UNIT AREA OF SAID UNIT, AND PRESCRIBING CERTAIN ADMINISTRATIVE PROCEDURES AND SPECIAL OPERATING RULES FOR SAID UNIT LOCATED IN TOWNSHIPS 140 AND 139 NORTH, RANGE 97 WEST, AND TOWNSHIP 140 NORTH, RANGE 96 WEST, STARK COUNTY, NORTH DAKOTA.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:30 a.m. on the 13th day of March, 1973, at Bismarck, North Dakota, before the Industrial Commission of the State of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 13th day of March, 1973, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing and being fully advised in the premises,

FINDS:

(1) That due public notice having been given, as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That the Commission, by Order No. 1186, dated November 30, 1972, amended and approved the Plan of Unitization for the Dickinson Heath Sand Unit proposed by Continental Oil Company.

(3) That the Plan of Unitization for the Dickinson Heath Sand Unit has now been signed, ratified or approved by those persons who will be required to pay at least eighty percent of the costs of unit operations, and also by the owners of at least eighty percent of the production or proceeds thereof that will be credited to interests which are free of cost, all as required by Section 38-08-09.5 of the North Dakota Century Code.

(4) That in order to promote the efficient operation of the Dickinson Heath Sand Unit, the Commission should prescribe certain administrative procedures and special operating rules.

IT IS THEREFORE ORDERED:

(1) That the Dickinson Heath Sand Unit, Stark County, North Dakota shall become effective at 7:00 a.m. on the 15th day of March, 1973.

(2) That the following administrative procedures and special operating rules shall apply to the operation of wells in the Dickinson Heath Sand Unit:

A. Definitions

(a) The term "producing well" as used herein means any well in the Dickinson Heath Sand Unit area capable of producing fluid hydrocarbons from the Heath Sand Reservoir.

(b) The term "injection well" as used herein means any well used by the Dickinson Heath Sand Unit for the purpose of injecting water into the Heath Formation underlying the Dickinson Heath Sand Unit.

B. Injection of Water

(a) Injection of water into the Heath Sand Reservoir underlying the Dickinson Heath Sand Unit by the Unit Operator for the purpose of increasing oil recovery is hereby authorized.

(b) Rules 702, 703, and 704 of the General Rules and Regulations of this Commission shall apply with respect to all injection wells.

C. Location of Wells

(a) The location of all producing wells and injection wells drilled or converted after the effective date of the rule shall be subject to the approval of the State Geologist.

(b) In order to assure the optimum location of producing wells and injection wells for the most efficient operation of the project, the unit operator shall be allowed to drill wells at any location within the Dickinson Heath Sand Unit area as the same is now or may hereafter be defined provided no well is located closer than 500 feet from the Dickinson Heath Sand Unit boundary lines.

D. Well Tests and Surveys

(a) All unit wells be exempt from any Commission rule or order providing for gas-oil ratio surveys or production tests.

(b) To maintain surveillance of bottom hole pressure performance, the unit operator shall observe pumping bottom hole pressures from time to time as deemed necessary and the findings reported to the State Geologist.

E. Water Injection Wells

(a) The Unit Operator is authorized to use the following described wells to inject water into the Dickinson Heath Sand Reservoir after the effective date of the unit:

North American Royalties Miller No. 1  
SW SE Sec. 17-T140N-R96W

North American Royalties Ermantrout No. 1  
SW NW Sec. 20-T140N-R96W

Cardinal Petroleum Co. Ridl No. 15-19  
SW SE Sec. 19-T140N-R96W

Cardinal Petroleum Co. Head-Wock No. 15-21  
SW SE Sec. 21-T140N-R96W

Union Oil Co. State No. 1  
SW SE Sec. 32-T140N-R96W

Continental Oil Co. Kostelecky No. 4  
SW NW Sec. 33-T140N-R96W

Continental Oil Co. Zahradnik No. 3

SE SE Sec. 27-T140N-R97W

Continental Oil Co. Karsky-Buresh No. 1  
SE SE Sec. 26-T140N-R97W

Superior Oil Co. Zahradnik No. 1  
SW NW Sec. 30-T140N-R96W

Cardinal Petroleum Co. Frenzel-FLB No. 5-31  
SW NW Sec. 31-T140N-R96W

Shell Oil Co. Vozabel No. 44-33  
SE SE Sec. 33-T140N-R97W

Continental Oil Co. Zander-Anderson No. 1  
SE NW Sec. 34-T140N-R97W

Shell Oil Co. Steffan No. 22-2  
SE NW Sec. 2-T139N-R97W

(b) The Unit Operator may hereafter, from time to time, use additional wells for the purpose of injecting water into the Dickinson Heath Sand Reservoir upon approval by the State Geologist. The application for such approval shall be accompanied by a plat showing the location of such wells together with the casing program and method of preparation of the well or wells for injection.

F. Well Name Changes

To promote the efficient operation of the Unit, the official well names of all unit wells shall be changed to show their unit designation, and the State Geologist shall change the name of the well name register and official records to reflect such changes. Under the circumstances of this case, the fee prescribed by Rule 12 of the General Rules and Regulations of this Commission is waived, the Unit shall be required to pay the actual cost of making such well name changes.

(3) That these rules shall become effective on the 15th day of March, 1973.

(4) That this order shall remain in full force and effect until further order of the Commission.

DONE, in Bismarck, North Dakota, this 13th day of March, 1973.

THE NORTH DAKOTA  
INDUSTRIAL COMMISSION

/s/ Arthur A. Link  
Arthur A. Link, Governor

/s/ Allen I. Olson  
Allen I. Olson, Attorney General

/s/ Arne Dahl  
Arne Dahl, Commissioner of Agriculture