

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 1266
(CONTINUED)
ORDER NO. 1382

IN THE MATTER OF A HEARING CALLED ON A
MOTION OF THE COMMISSION TO CONSIDER THE
APPLICATION OF BAUER AND LAND FOR AN
ORDER SUSPENDING A PERMIT TO DRILL ISSUED
TO CONTINENTAL OIL COMPANY FOR A WELL
LOCATED IN THE NW NW OF SECTION 33,
TOWNSHIP 140 NORTH, RANGE 97 WEST, STARK
COUNTY, NORTH DAKOTA, AND TO REVIEW AND
CONSIDER AMENDING THE SPACING
REQUIREMENTS FOR THE SOUTH HEART AND
DICKINSON FIELDS, 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 14th day of October, 1975, in Bismarck, North Dakota, before the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 13th day of November, 1975, 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 on the 14th of July, 1975, the North Dakota Geological Survey issued Permit No. 5678 to Continental Oil Company for a well to be drilled 500 feet from the north line and 500 feet from the west line of Section 33, Township 140 North, Range 97 West, Stark County, North Dakota, and that said location is within the outline of the Dickinson Heath Sand Unit, as defined by Commission Order No. 1186.

(3) That Commission Order No. 1202 dated March 13, 1973, authorized the drilling of wells at any location within the Dickinson Heath Sand Unit area and further provided that no well be located closer than 500 feet from the unit boundary.

(4) That Commission Order No. 1264 dated January 29, 1974, established the South Heart-Heath Pool, and set spacing at one well to each 320 acres with wells to be located not less than 660 feet from a spacing unit boundary nor closer than 1860 feet to a well producing from or drilling to the pool.

(5) That the South Heart Field has boundaries in common with the Dickinson Heath Sand Unit those being the west line of Section 27, the north line and the west line of Section 33, Township 140 North, Range 97 West, Stark County, North Dakota.

(6) That information obtained from wells drilled in the South Heart

Field whose locations are the center of the E/2 of the SE/4 of Section 29, the SE SE of Section 28, the SE SW of Section 28, and the NE NE of Section 32, all in Township 140 North, Range 97 West, Stark County, North Dakota, indicates that said wells produce oil from the same common source of supply as wells in the Dickinson Heath Sand Unit.

(7) That the Dickinson Heath Sand Unit might be expanded to include wells in the South Heart Field but by using the existing Dickinson Unit unitization formula the owners of interests in said wells might not receive their equitable share of Unit participation.

(8) That said wells in the South Heart Field have produced for a year or less and that prior to their completion, oil was drained from that portion of the Heath Sand Reservoir by production operations in the Dickinson Heath Sand Unit.

(9) That in the hearings to establish spacing in the two fields, expert witnesses gave testimony and evidence that one well would drain in excess of 320 acres, and that 320-acre spacing would provide for the efficient drainage and maximum ultimate recovery of oil and gas from the Heath Pool.

(10) That there are presently two producing wells in the Dickinson Heath Sand Unit on a 320-acre tract described as the N/2 of Section 33, Township 140 North, Range 97 West, Stark County, North Dakota, and that Unit Operator has a valid permit to drill a third well on said 320-acre tract located in the NW NE of said Section 33.

(11) That a well located 500 feet from the west line and 500 feet from the north line of Section 33, Township 140 North, Range 97 West, together with those mentioned in (10) above, would recover more than their fair and equitable share of the oil in the Heath Sand Reservoir common source of supply.

(12) That the South Heart-Heath Pool should be unitized and secondary recovery operations including injection wells along the common boundary with the Dickinson Heath Sand Unit should be initiated at the earliest possible date.

IT IS THEREFORE ORDERED:

(1) That Permit No. 5678 issued to Continental Oil Company for a well located in the NW NW of Section 33, Township 140 North, Range 97 West, Stark County, North Dakota, be and same is hereby revoked.

(2) That Paragraph (2), Section C, of Commission Order No. 1202 be amended in the following respect:

(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 660 feet from the Dickinson Heath Sand Unit Boundary.

(3) That Bauer & Land and Inecxo Oil Company report to the Commission at the June, 1976, hearing on the progress of unitization of the South Heart Field.

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

DONE, at Bismarck, North Dakota, this 13th day of November, 1975.

THE NORTH DAKOTA
INDUSTRIAL COMMISSION

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

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

/s/ Myron Just
Myron Just, Commissioner of Agriculture