

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 2136
ORDER NO. 2400

IN THE MATTER OF A HEARING CALLED ON A
MOTION OF THE COMMISSION TO CONSIDER THE
APPLICATION OF CHANDLER & ASSOC. CO. FOR
AN ORDER TO PERMIT THE DRILLING OF A WELL
IN THE SW SW OF SECTION 7, TOWNSHIP 163
NORTH, RANGE 92 WEST, BURKE COUNTY,
NORTH DAKOTA, AS AN EXCEPTION TO THE
SPACING REQUIREMENTS IN THE SHORT CREEK
FIELD.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 1:30 p.m. on the 20th day of May, 1981, in Bismarck, North Dakota, before an examiner appointed for the purpose by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 24th day of June, 1981, 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 applicant is the owner of an oil and gas leasehold estate in the SW/4 of Section 7, Township 163 North, Range 92 West, Burke County, North Dakota.

(3) That said tract of land is within the boundaries of the Short Creek Field, and forms a spacing unit for the Madison Pool, and the spacing for such pool established by the Commission requires wells to be located on a 160-acre spacing unit in the SE/4 of each 1/4.

(4) That applicant is desirous of drilling a Madison test well on said spacing unit located approximately 660 feet from the south line and 660 feet from the west line of said Section 7.

(5) That the well drilled at the proper location resulted in a dry hole.

(6) That geological evidence presented to the Commission indicates that there is recoverable oil in said spacing unit, and such oil will be either produced by an offset well or will remain unrecovered.

(7) That in order to prevent waste, and to protect correlative rights this application should be granted.

IT IS THEREFORE ORDERED:

(1) That applicant is hereby permitted to drill a well approximately 660 feet from the south line, and 660 feet from the west line of Section 7, Township 163 North, Range 92 West, Burke County, North Dakota, as an

exception to the spacing requirements in the Short Creek Field.

(2) That the well permitted in (1) above shall not produce more than its fair and equitable share of the oil and/or gas in the reservoir.

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

DONE, in Bismarck, North Dakota, this 24th day of June, 1981.

THE NORTH DAKOTA
INDUSTRIAL COMMISSION

/s/ Allen I. Olson
Allen I. Olson, Governor

Robert O. Wefald, Attorney General

/s/ Kent Jones
Kent Jones, Commissioner of Agriculture