

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 3070
ORDER NO. 3472

IN THE MATTER OF A HEARING CALLED ON A
MOTION OF THE COMMISSION TO CONSIDER THE
APPLICATION OF CENTURY OIL AND GAS
CORPORATION FOR AN ORDER TO PERMIT THE
DRILLING OF TWO WELLS; ONE IN THE NE/4, AND
THE OTHER IN THE SE/4 OF SECTION 1, T.163N.,
R.93W., BURKE COUNTY, NORTH DAKOTA, AS
EXCEPTIONS TO THE SPACING REQUIREMENTS FOR
THE SHORT CREEK FIELD.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m. on the 24 day of January, 1984, in Bismarck, North Dakota, before an examiner appointed by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 22nd day of February, 1984, 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 NE and SE of Section 1, Township 163 North, Range 93 West, Burke County, North Dakota.

(3) That said tracts of land are within the boundaries of the Short Creek Field, and form spacing units for the Madison Pool, and the spacing for such pool established by the Commission requires wells to be located in the approximate center of the southeast quarter of each quarter section.

(4) That applicant is desirous of drilling a Madison test well on each said spacing unit located in the approximate center of the NW/4 of each quarter section in (2) above.

(5) That a well drilled at a proper location in the SE/4 of said Section 1 resulted in a dry hole.

(6) That a well drilled at the proposed location in the NW NE of said Section 1 is more likely to recover commercial quantities of hydrocarbons than a well drilled at a proper location.

(7) That wells drilled at the proposed locations would produce oil that might otherwise not be produced.

(8) That due to the geological conditions, the proposed locations are the most advantageous points to drill test wells on said spacing units.

(9) 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 wells in the approximate center of the NW NE and NW SE of Section 1, T.163N., R.93W., Burke County, North Dakota, as an exception to the spacing requirements in the Short Creek-Madison Pool.

(2) That applicant shall apply for a permit to drill the above wells as required in Section 43-02-03-16 of the North Dakota Administrative Code.

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

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

Dated this 22nd day of February, 1984.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

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

Robert O. Wefald, Attorney General

/s/ Kent Jones _
Kent Jones, Commissioner of Agriculture