

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 3253
ORDER NO. 3699

IN THE MATTER OF A HEARING CALLED ON A
MOTION OF THE COMMISSION TO CONSIDER THE
APPLICATION OF THE LOUISIANA LAND &
EXPLORATION COMPANY FOR AN ORDER
PERMITTING WELLS IN THE AMBROSE-DUPEROW
POOL, DIVIDE COUNTY, NORTH DAKOTA, TO
PRODUCE OIL AT AN UNRESTRICTED RATE, AND
TO FLARE THE GAS PRODUCED THEREWITH.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m. on the 21 day of August, 1984, in Dickinson, North Dakota, before the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 20th _ day of September _, 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 of the five wells in the Ambrose-Duperow Pool there are only two wells capable of producing in excess of 100 barrels of oil per day. The Louisiana Land and Exploration #1 State 32-14 well can produce approximately 200 barrels of oil per day and 123 MCF per day. The Louisiana Land and Exploration #1 Almos 11-23 well can produce approximately 175 barrels of oil per day and 107 MCF per day. Further, the production rate from both wells has declined rapidly.

(3) That if all wells in the Ambrose-Duperow Pool are produced at a maximum rate only 350 MCF per day of gas would be produced and approximately 100 MCF per day will be used in lease operations leaving a maximum of 250 MCF per day of surplus gas for market. This amount will decline as production occurs.

(4) That due to the low volume of surplus gas available for market and the small amount of reserves, it is not economically feasible to construct the pipeline needed to connect wells in the field to a gas plant.

(5) That the gas produced from the Ambrose-Duperow Pool is sweet gas, and the flaring of all surplus gas produced from the pool will not violate ambient air quality standards.

(6) That it may be economically feasible to strip liquid hydrocarbons from the gas prior to flaring; however, additional unrestricted production is needed in order to determine such.

(7) That the flaring of all surplus gas produced from the Ambrose-Duperow Pool for a period of three months will not violate the correlative rights of any interested party, nor will it cause waste.

IT IS THEREFORE ORDERED:

(1) That effective September 1, 1984, the State 32-14 #1 and the Almos 11-23 #1 wells operated by Louisiana Land and Exploration are hereby permitted to be produced at unrestricted rates and flare all surplus associated gas until December 1, 1984. If, on that date the wells are either connected to a gas gathering and processing facility or the liquids in the gas are being extracted and sold, the wells may continue to produce at a maximum efficient rate. If, however, the previously stated conditions are not met by December 1, 1984, production from the wells shall be restricted as prescribed in Industrial Commission Order #3215, and succeeding production shall be in accordance with said order.

(2) That the Enforcement Officer is hereby authorized to administratively rescind the restriction on oil production from said wells prescribed in Industrial Commission Order #3215; and further, to allow the flaring of gas produced therewith provided the liquid hydrocarbons are removed from the gas and marketed prior to flaring.

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

Dated this 20th _ day of September __, 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