

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 6659
ORDER NO. 7762

IN THE MATTER OF A HEARING
CALLED ON A MOTION OF THE
COMMISSION TO CONSIDER THE
APPLICATION OF CONOCO INC. FOR AN
ORDER POOLING ALL INTERESTS IN A
SPACING UNIT FOR THE
DICKINSON-LODGEPOLE POOL
DESCRIBED AS THE W/2 OF SECTION
33, T.140N., R.96W., STARK COUNTY,
NORTH DAKOTA; AUTHORIZING THE
RECOVERY FROM EACH
NONPARTICIPATING LESSEE A RISK
PENALTY AS PROVIDED BY NORTH
DAKOTA CENTURY CODE SECTION
38-08-08 AND SUCH OTHER AND
FURTHER RELIEF AS THE COMMISSION
DEEMS APPROPRIATE.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m. on the 22nd day of January, 1997, in Bismarck, North Dakota, before an examiner appointed by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 10th day of February, 1997, the Director, on behalf of the Commission and as authorized by the Commission, 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) As set forth above, this case was called for hearing on January 22, 1997. At that time, counsel for the applicant requested that the hearing be recessed until January 29, 1997.

(3) There was no objection to the request of applicant's counsel.

(4) On January 29, 1997, the hearing on this matter was resumed and the applicant appeared before the Commission and presented its testimony and evidence in this case.

(5) The applicant is the owner of an oil and gas leasehold estate in a spacing unit for the Dickinson-Lodgepole Pool described as the W/2 of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota.

(6) The spacing unit is created in accordance with an order of the Commission and there are separately owned tracts or separately owned interests in the spacing unit, and some of the owners have not voluntarily pooled their interests for the development and operation of the spacing unit.

(7) The Commission makes no findings with regard to the specific acreage or percentage attributed to separately owned tracts or interests.

(8) Section 38-08-08 of the North Dakota Century Code requires the Commission to enter a pooling order upon application when two or more separately owned tracts are embraced within a spacing unit, or there are separately owned interests in all or a part of a spacing unit, in the absence of voluntary pooling. The section further provides that working interest owners in the spacing unit shall pay their share of the reasonable actual cost of drilling and operating the well plus a reasonable charge for supervision.

(9) The applicant requests an order of the Commission pooling all interests in the spacing unit, and asks that its request for a risk penalty be withdrawn.

(10) There were no objections to this application.

(11) In order to prevent waste and protect correlative rights this spacing unit should be pooled.

IT IS THEREFORE ORDERED:

(1) All oil and gas interests in a spacing unit for the Dickinson-Lodgepole Pool described as the W/2 of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota, are hereby pooled for the development and operation of the spacing unit.

(2) This pooling order shall not determine the specific acreage to be attributed to separately owned tracts, or specific interests attributed to separately owned interests.

(3) The operator of the well for the spacing unit shall conduct operations in a manner so as to protect correlative rights of all interested parties.

(4) All owners of interests shall receive, without unnecessary expense, their just and equitable share of production from the spacing unit in the proportion as their interests may appear in the spacing unit.

(5) The working interest owners shall reimburse the operator for their proportionate share of the reasonable actual cost of drilling and operating the well, plus a reasonable charge for supervision.

(6) In the event of any dispute as to such costs the Commission shall determine the proper cost.

(7) In the event the size of the spacing unit is modified by the Commission, this order terminates on the date of such order.

(8) This order shall be effective from the date of first operations, and shall remain in force until further order of the Commission.

Dated this 10th day of February, 1997.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission.

/s/ Wesley D. Norton, Director