

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 7544
ORDER NO. 8863

IN THE MATTER OF A HEARING CALLED
ON A MOTION OF THE COMMISSION TO
CONSIDER ELIMINATING THE INTERWELL
DISTANCE AND AMENDING THE GAS-OIL
RATIO AND BOTTOM HOLE PRESSURE
TESTING REQUIREMENTS FOR ALL
SECONDARY RECOVERY PROJECTS AND
POOLS LOCATED IN THE FOLLOWING
FIELDS WITHIN STARK COUNTY, NORTH
DAKOTA: BELL, BULL CREEK, CRATER,
DAVIS BUTTES, DICKINSON, DOBSON
BUTTE, DUCK CREEK, ELAND, GLADSTONE,
GREEN RIVER, HEART RIVER, HILINE,
LIVESTOCK, ROCKY HILL, ROCKY RIDGE,
SCHEFIELD, SOUTH HEART, STADIUM,
SUBDIVISION, TAYLOR, VERSIPPI, WEST
DICKINSON, ZENITH.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

(1) This cause came on for hearing at 9:00 a.m. on the 20th day of December, 2000. Order No. 8810, dated January 4, 2001, continued this matter for 60 days or until further order of the Commission.

(2) Special field rules are currently in effect for the Bell-Tyler Pool, Crater-Silurian Pool, Davis Buttes-Tyler Pool, Dickinson Heath Sand Unit, Dickinson Lodgepole Unit, Dickinson-Heath, Lodgepole, Madison and Tyler Pools, Dobson Butte-Red River and Silurian Pools, Duck Creek Lodgepole Unit, Duck Creek-Lodgepole Pool, Eland Lodgepole Unit, Eland-Lodgepole and Tyler Pools, Gladstone-Stonewall Pool, Green River-Heath and Ordovician Pools, Heart River-Heath Pool, Hiline Lodgepole Unit, Hiline-Lodgepole Pool, Livestock Lodgepole Unit, Livestock-Lodgepole Pool, Rocky Hill-Madison Pool, Rocky Ridge-Heath and Madison Pools, Scheffield-Silurian Pool, South Heart Heath Unit, South Heart-Heath Pool, Stadium Lodgepole Unit, Stadium-Lodgepole Pool, Subdivision Lodgepole Unit, Subdivision-Lodgepole Pool, Taylor-Winnipeg Pool, Versippi Lodgepole Unit, Versippi-Lodgepole Pool, West Dickinson Lodgepole Unit, West Dickinson-Lodgepole Pool, Zenith Newton Heath Unit and Zenith-Heath Pool, Stark County, North Dakota. Said rules require the following:

- (a) All wells drilled must maintain an interwell setback from any well permitted to or producing from each respective pool.
- (b) Semiannual gas-oil ratio tests must be conducted.
- (c) Annual reservoir pressure tests must be conducted.

(3) An interwell setback prevents operators from drilling a well at an optimum location in the reservoir. A well drilled at an optimum location may produce oil that might otherwise not be produced, therefore, the interwell setback should be eliminated.

(4) Semiannual gas-oil ratio tests are a financial burden on operators and should be required annually only when the gas is not being marketed, although additional tests conducted by the operator may provide valuable information and should be submitted to the Commission.

(5) Annual reservoir pressure tests on existing wells are a financial burden on operators and should be required only when a new well is completed in the pool, although additional tests conducted by the operator may provide valuable information and should be submitted to the Commission.

(6) There were no objections to this case.

(7) The aforementioned relief will prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) Commission orders establishing special field rules for the aforementioned pools in paragraph (2) above are hereby amended to provide for the following:

- (a) No interwell setback shall be required to a well permitted to or producing from any respective pool.
- (b) The gas-oil ratio of all wells not connected to a gas gathering system shall be measured annually during the month of May. The reservoir pressure shall be measured within 45 days in all wells hereinafter completed in any pool. Drill stem test pressures are acceptable for determining reservoir pressure. Pressure measurements shall be made at or adjusted to its respective subsea datum after the well has been shut in for a minimum of 48 hours. All gas-oil ratio and reservoir pressure determinations shall be made by methods approved by the Director and reported to the Director within 15 days following the end of the month in which they are determined. The Director is authorized to waive these requirements if the necessity therefor can be demonstrated to his satisfaction. All additional gas-oil ratio and reservoir pressure determinations conducted on any well, but not specifically required herein, shall be reported to the Director within 15 days following the end of the month in which they are determined.

(2) This order shall remain in full force and effect until further order of the Commission.

Dated this 15th day of February, 2001.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

/s/ John Hoeven, Governor

/s/ Wayne Stenehjem, Attorney General

/s/ Roger Johnson, Commissioner of Agriculture