

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 10765  
ORDER NO. 12730

IN THE MATTER OF A HEARING CALLED ON  
A MOTION OF THE COMMISSION TO  
CONSIDER THE APPLICATION OF SAMSON  
RESOURCES CO. FOR AN ORDER POOLING  
ALL INTERESTS IN THE LOKKEN #35-163-99H,  
SECTION 35, T.163N., R.99W., AMBROSE-  
BAKKEN POOL, DIVIDE COUNTY, ND AND  
SUCH OTHER RELIEF AS IS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 18th day of December, 2008.
- (2) The initial public notice of this application was not properly published in the Divide County Journal, the official Divide County newspaper. Evidence and testimony was taken on December 18, 2008 but the record in this case was left open until January 5, 2009 to allow the required notice to be published and afford any interested parties the opportunity to appear. No further appearances were made on January 5, 2009 and the record was closed.
- (3) Pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1, the Director is authorized to sign, on behalf of the Commission, orders relating to, inter alia, pooling under North Dakota Century Code (NDCC) Section 38-08-08.
- (4) The applicant is the owner of an interest in an oil and gas leasehold estate in a spacing unit for the Amrose-Bakken Pool described as all of Section 35, Township 163 North, Range 99 West, Divide County, North Dakota.
- (5) Said spacing unit is created in accordance with an order of the Commission and there are separately owned tracts and/or separately owned interests in the spacing unit, and some of the owners thereof have not voluntarily pooled their interests for the development and operation of said spacing unit.
- (6) The Commission makes no findings with regard to the specific acreage or percentage attributed to separately owned tracts or interests.

(7) NDCC Section 38-08-08 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. In addition to such costs and charges, nonparticipating lessees may be required to pay a risk penalty of 200 percent and unleased mineral interest owners may be required to pay a risk penalty of 50 percent of their share of the reasonable actual cost of drilling and completing the well.

(8) Applicant requests an order of the Commission pooling all interests in the spacing unit.

(9) There were no objections to this application.

(10) This application should be granted in order to prevent waste and protect correlative rights.

**IT IS THEREFORE ORDERED:**

(1) All oil and gas interests in a spacing unit for the Amrose-Bakken Pool described as all of Section 35, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby pooled for the development and operation of the spacing unit.

(2) This pooling shall not determine or establish 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 said spacing unit shall conduct operations in a manner so as to protect correlative rights of all interested parties.

(4) All owners of interests shall recover or receive, without unnecessary expense, their just and equitable share of production from said 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 said 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) Any nonparticipating lessee or nonparticipating mineral interest owner may be subject to the risk penalty provided by NDCC Section 38-08-08 and NDAC Section 43-02-03-16.3.

(8) In the event the size of the spacing unit pooled herein is modified by the Commission, this order shall terminate as of the date of such order.

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

Dated this 16th day of January, 2009.

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director