

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 21601
ORDER NO. 23955

IN THE MATTER OF A HEARING CALLED ON
A MOTION OF THE COMMISSION TO
CONSIDER THE APPLICATION OF SM
ENERGY CO. FOR AN ORDER AMENDING
THE APPLICABLE ORDERS FOR THE
AMBROSE-BAKKEN POOL, DIVIDE COUNTY,
ND, TO ALLOW ALL WELLS TO PRODUCE
OIL AT AN UNRESTRICTED RATE AND
FLARE GAS PRODUCED IN ASSOCIATION
THEREWITH UNTIL JUNE, 2014, OR SUCH
OTHER TIME AS MAY BE ESTABLISHED BY
THE COMMISSION, OR FOR SUCH OTHER
RELIEF AS MAY BE APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 15th day of January, 2014.
- (2) SM Energy Company (SM Energy) applied for an order amending the applicable orders for the Ambrose-Bakken Pool, Divide County, North Dakota, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.
- (3) Order No. 23041, the order in effect at the time of this hearing, provides that all wells in the Ambrose-Bakken Pool shall be allowed to produce at a maximum efficient rate for a period of 60 days commencing on the first day oil is produced through well-head equipment into tanks from the ultimate producing interval after casing has been run; after that, oil production from such wells shall not exceed an average of 200 barrels per day for a period of 60 days; after that, oil production from such wells shall not exceed an average of 150 barrels per day for a period of 60 days, thereafter, oil production from such wells shall not exceed an average of 100 barrels of oil per day; if and when such wells are connected to a gas gathering and processing facility the foregoing restrictions shall be removed, and the wells shall be allowed to produce at a maximum efficient rate. The Director is authorized to issue an administrative order allowing unrestricted production at a maximum efficient rate for a period not to exceed 120 days, commencing on the first day oil is produced through well-head equipment into tanks from the

ultimate producing interval after casing has been run, if the necessity therefor can be demonstrated to his satisfaction.

(4) Oasis currently operates two wells completed in the Ambrose-Bakken Pool that are not connected to a gas gathering system. Oasis is in compliance with current production restrictions pursuant to Order No. 23041 since both wells are currently producing less than 100 barrels of oil per day. Nevertheless, Oasis is still prudently attempting to connect the wells to a gas gathering system.

(5) The relief requested herein is unnecessary, therefore this case should be dismissed without prejudice.

IT IS THEREFORE ORDERED:

- (1) This case is dismissed without prejudice.

Dated this 6th day of June, 2014.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director