

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 24019
ORDER NO. 26362

IN THE MATTER OF A HEARING CALLED ON
A MOTION OF THE COMMISSION TO
CONSIDER THE APPLICATION OF SAMSON
RESOURCES CO. FOR AN ORDER AMENDING
THE FIELD RULES FOR THE AMBROSE-
BAKKEN POOL TO CREATE AND ESTABLISH
AN OVERLAPPING 1600-ACRE SPACING UNIT
COMPRISED OF SECTIONS 26, 27, 34, AND 35,
T.164N., R.99W., DIVIDE COUNTY, ND,
AUTHORIZING THE DRILLING OF A TOTAL
NOT TO EXCEED NINE WELLS ON SAID
OVERLAPPING 1600-ACRE SPACING UNIT,
ELIMINATING ANY TOOL ERROR
REQUIREMENTS, 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 28th day of May, 2015.
- (2) The witnesses for Samson Resources Company (Samson) provided telephonic testimony in this matter pursuant to North Dakota Administrative Code Section 43-02-03-88.2. Telephonic Communication Affidavits were received on May 29, 2015; therefore, such testimony may be considered evidence.
- (3) Samson made application to the Commission for an order amending the field rules for the Ambrose-Bakken Pool to create and establish an overlapping 1600-acre spacing unit comprised of Sections 26, 27, 34, and 35, Township 164 North, Range 99 West, Divide County, North Dakota (Sections 26, 27, 34, and 35), authorizing the drilling of a total not to exceed nine wells on said overlapping 1600-acre spacing unit, eliminating any tool error requirements, and such other relief as is appropriate.
- (4) Order No. 24685 entered in Case No. 22350, the most recent spacing order for the Ambrose-Bakken Pool, established proper spacing for the development of Zone I at one horizontal well per 640 acres, Zone II at up to three horizontal wells per 640 acres, Zone III at one horizontal well per 800 acres, Zone IV at up to seven horizontal wells per 800 acres, Zones V and VI at one horizontal well per 1280 acres, Zone VII at up to seven horizontal wells per 1280 acres, Zone VIII at a minimum of four horizontal wells, up to twelve horizontal wells, per 2080 acres, Zone IX at one

horizontal well per 2560 acres, Zone X at up to thirteen horizontal wells per 2560 acres, Zone XI at two horizontal wells per 4160 acres, and Zone XII at two horizontal wells per 5120 acres.

(5) Sections 26 and 35; and Sections 27 and 34 are currently standup 800-acre spacing units in Zone III in the Ambrose-Bakken Pool. There are no horizontal wells permitted to or producing from said spacing units.

(6) Sections 2 and 11; and Sections 3 and 10, Township 163 North, Range 99 West, Divide County, North Dakota (Sections 2, 11, 3, and 10), are currently standup 1280-acre spacing units in Zone V in the Ambrose-Bakken Pool. The Samson #11-2-163-99H Le Mans well (File No. 20341) is a horizontal well completed in the upper Three Forks Formation in the standup 1280-acre spacing unit described as Sections 2 and 11 from a surface location 455 feet from the north line and 2465 feet from the east line of Section 14, Township 163 North, Range 99 West, Divide County, North Dakota, to a bottom hole location in the NW/4 NE/4 of Section 2. The Samson #0310-04TFH Biscayne well (File No. 21363) is a horizontal well completed in the upper Three Forks Formation in the standup 1280-acre spacing unit described as Sections 3 and 10 from a surface location 450 feet from the north line and 2100 feet from the east line of Section 3 to a bottom hole location in the SW/4 SE/4 of Section 10.

(7) Sections 26, 35, 2, and 11; and Sections 27, 34, 3, and 10 are currently standup 2080-acre spacing units in Zone VIII in the Ambrose-Bakken Pool. The Bakken Hunter, LLC (Bakken Hunter) #3427-2MBH Pacer well (File No. 23355) is a horizontal well completed in the middle member of the Bakken Formation in the standup 2080-acre spacing unit described as Sections 27, 34, 3, and 10 from a surface location 230 feet from the north line and 1100 feet from the west line of Section 3 to a bottom hole location approximately 902 feet from the north line and 1246 feet from the west line of Section 27, and is the only horizontal well completed in said spacing unit. There are no horizontal wells permitted to or producing from the standup 2080-acre spacing unit described as Sections 26, 35, 2, and 11.

(8) Samson requested the Pacer #3427-2MBH well remain on its existing spacing unit.

(9) Sections 26, 35, 2, and 11 and Sections 25 and 36, Township 164 North, Range 99 West, and Sections 1 and 12, Township 163 North, Range 99 West, Divide County, North Dakota, are currently a standup 4160-acre spacing unit in Zone XI in the Ambrose-Bakken Pool. There are no horizontal wells permitted to or producing from said spacing unit.

(10) Samson's idealized development plan for the laydown 1600-acre spacing unit described as Sections 26, 27, 34, and 35 is to drill nine horizontal wells approximately 700 feet apart parallel to the long axis, alternating between five in the middle member of the Bakken Formation and four in the upper Three Forks Formation. Samson proposed to drill the wells from three common drilling pads at one end in the spacing unit.

(11) Samson testified the establishment of the laydown 1600-acre spacing unit described as Sections 26, 27, 34, and 35 will allow for more efficient and economic development of the acreage contained within due to the performance of longer versus shorter lateral horizontal wells and the omission of the internal setback between Sections 26 and 27; and Sections 34 and 35.

(12) Samson indicated it owns approximately 32.34% of the leasehold estate in the proposed laydown 1600-acre spacing unit described as Sections 26, 27, 34, and 35, while Bakken Hunter owns approximately 29.28% and others own approximately 38.41%.

(13) Samson testified they discussed this application with Bakken Hunter and Bakken Hunter indicated it was not opposed to the proposal.

(14) Samson was instructed to supplement the record with the ownership breakdown in the standup 800-acre spacing units described as Sections 26 and 35; and Sections 27 and 34. Samson failed to submit such information.

(15) Samson failed to submit evidence in this case to allow the Commission to render a proper decision in this matter.

(16) This case should be dismissed without prejudice.

IT IS THEREFORE ORDERED:

(1) This case is hereby dismissed without prejudice.

Dated this 18th day of February, 2016.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director