

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 25027  
ORDER NO. 27430

IN THE MATTER OF A HEARING CALLED ON  
A MOTION OF THE COMMISSION TO  
CONSIDER THE APPLICATION OF  
CONOCOPHILLIPS CO. FOR AN ORDER  
APPROVING THE OPERATION OF ENHANCED  
RECOVERY OPERATION IN THE WEST  
DICKINSON LODGEPOLE UNIT, STARK  
COUNTY, ND, THROUGH AN AGREEMENT  
WITH THE DICKINSON LODGEPOLE UNIT,  
STARK COUNTY, ND, FOR WATER INJECTION  
WITHIN THE DICKINSON LODGEPOLE UNIT  
AS AN ALTERNATIVE TO THE CONDUCT OF  
INJECTION ACTIVITIES WITHIN THE WEST  
DICKINSON LODGEPOLE UNIT, OR  
GRANTING SUCH OTHER AND FURTHER  
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 19th day of May, 2016.
- (2) ConocoPhillips Company (ConocoPhillips) made application for an order approving enhanced recovery operations in the West Dickinson-Lodgepole Unit (WDLU), Stark County, North Dakota, through an agreement with the Dickinson-Lodgepole Unit (DLU), Stark County, North Dakota, for water injection within the DLU as an alternative to the conduct of injection activities within the WDLU, or granting such other and further relief as may be appropriate.
- (3) Order No. 8092 entered in Case No. 6922, approved the WDLU and it became effective on November 1, 1997. The WDLU was formed in order to effectively carry on an enhanced recovery project calculated to substantially increase the ultimate recovery of oil and gas from the Unit. Evidence was presented to the Commission in Case No. 6922 indicating the West Dickinson-Lodgepole and Dickinson-Lodgepole Pools were in pressure communication below the original oil-water contact. Three enhanced recovery options were presented to the Commission, two of which involved injection into existing wells within the WDLU. The third option presented to the Commission involved increasing injection into the DLU to provide pressure support for the WDLU through the aquifer connection below the oil-water contact. The Commission concluded the third option should only be considered after attempting to utilize existing wells within the WDLU.

(4) The Karsky 35 #2 well (File No. 13789), located in the SE/4 NE/4 of Section 35, Township 140 North, Range 97 West, was converted from a producing well to an injection well in the WDLU and injections commenced in July 1998. The injection well provided effective pressure support for the WDLU until July 2013, when the Karsky 35 #2 well developed a mechanical problem and could no longer be utilized as an injection well.

(5) No water injection into any WDLU well occurred during the year 2015, although no liquid production or wellhead pressure decline was recorded on producing wells within the WDLU, which confirms the WDLU was receiving pressure support from ongoing water injection occurring within the DLU.

(6) ConocoPhillips presented evidence that continuing water injection into the DLU can supply the needed pressure support to effectively conduct enhanced recovery projects in both the DLU and WDLU without causing a detrimental effect on either Unit.

(7) Working interest owners within the WDLU and DLU believe the Unit Operating Agreements of the two Units allow them to enter into a contractual agreement by which the WDLU will compensate the DLU for pressure support it receives from continued water injection within the DLU.

(8) The Commission concludes converting a producing well or drilling an additional well in the WDLU for an injection well would be an unnecessary well and to prevent waste and protect correlative rights, this application should be granted.

IT IS THEREFORE ORDERED:

(1) Water injection into the Dickinson-Lodgepole Unit will constitute injection into the West Dickinson-Lodgepole Unit and the Commission will deem that the WDLU is continuing to be operated as an enhanced recovery project.

(2) In the event of any dispute as to the amount of compensation, the Commission shall determine the proper amount, after due notice and hearing.

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

Dated this 29th day of June, 2016.

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

/s/ Jack Dalrymple, Governor

/s/ Wayne Stenehjem, Attorney General

/s/ Doug Goehring, Agriculture Commissioner