BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CHANDLER & ASSOC. CO. FOR AN ORDER TO PERMIT THE DRILLING OF A WELL IN THE SW SW OF SECTION 7, TOWNSHIP 163 NORTH, RANGE 92 WEST, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO THE SPACING REQUIREMENTS IN THE SHORT CREEK FIELD.

CASE NO. 2136 ORDER NO. 2400

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 1:30 p.m. on the 20th day of May, 1981, in Bismarck, North Dakota, before an examiner appointed for the purpose by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this <u>24th</u> day of <u>June</u>, 1981, the Commission, a quorum being present, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

- (1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That applicant is the owner of an oil and gas leasehold estate in the SW/4 of Section 7, Township 163 North, Range 92 West, Burke County, North Dakota.
- (3) That said tract of land is within the boundaries of the Short Creek Field, and forms a spacing unit for the Madison Pool, and the spacing for such pool established by the Commission requires wells to be located on a 160-acre spacing unit in the SE/4 of each 1/4.
- (4) That applicant is desirous of drilling a Madison test well on said spacing unit located approximately 660 feet from the south line and 660 feet from the west line of said Section 7.
 - (5) That the well drilled at the proper location resulted in a dry hole.
- (6) That geological evidence presented to the Commission indicates that there is recoverable oil in said spacing unit, and such oil will be either produced by an offset well or will remain unrecovered.
- (7) That in order to prevent waste, and to protect correlative rights this application should be granted.

IT IS THEREFORE ORDERED:

- (1) That applicant is hereby permitted to drill a well approximately 600 feet from the south line, and 660 feet from the west line of Section 7, Township 163 North, Range 92 West, Burke County, North Dakota, as an exception to the spacing requirements in the Short Creek Field.
- (2) That the well permitted in (1) above shall not produce more than its fair and equitable share of the oil and/or gas in the reservoir.
- (3) That this order shall remain in full force and effect until further order of the Commission.

DONE, in Bismarck, North Dakota, this 24th day of June , 1981.

THE NORTH DAKOTA INDUSTRIAL COMMISSION

Allen I. Olson, Governor Kent Jones, Commissioner of Agriculture

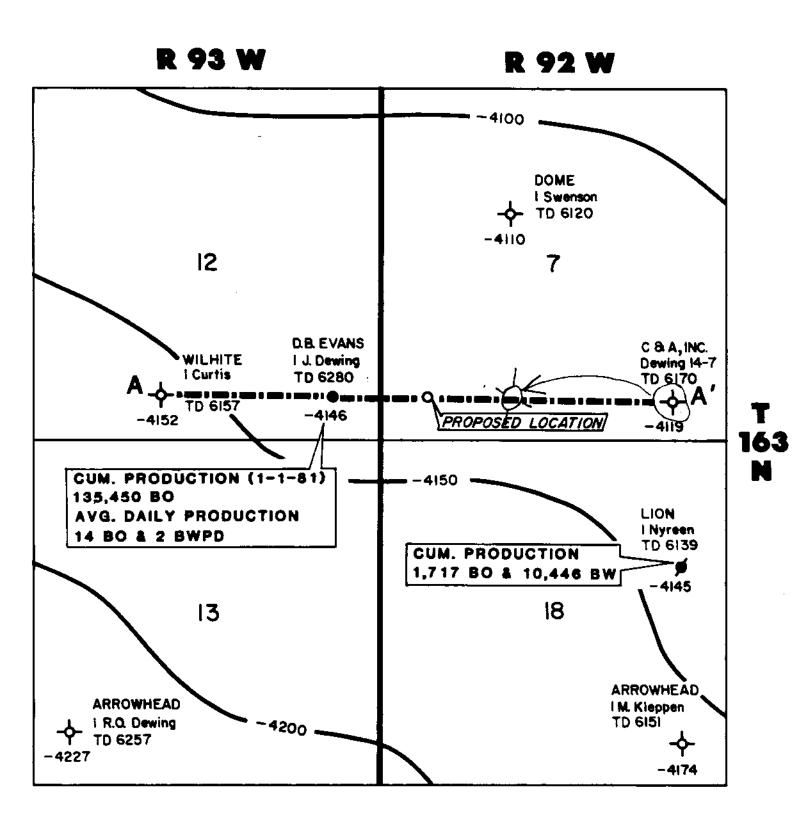
CHANDLER & ASSOCIATES, INC.

SPACING EXCEPTION HEARING

DEWING 13-7 SW SW SEC.7-T163N-R92W

BURKE COUNTY, NORTH DAKOTA

MAY 20, 1981

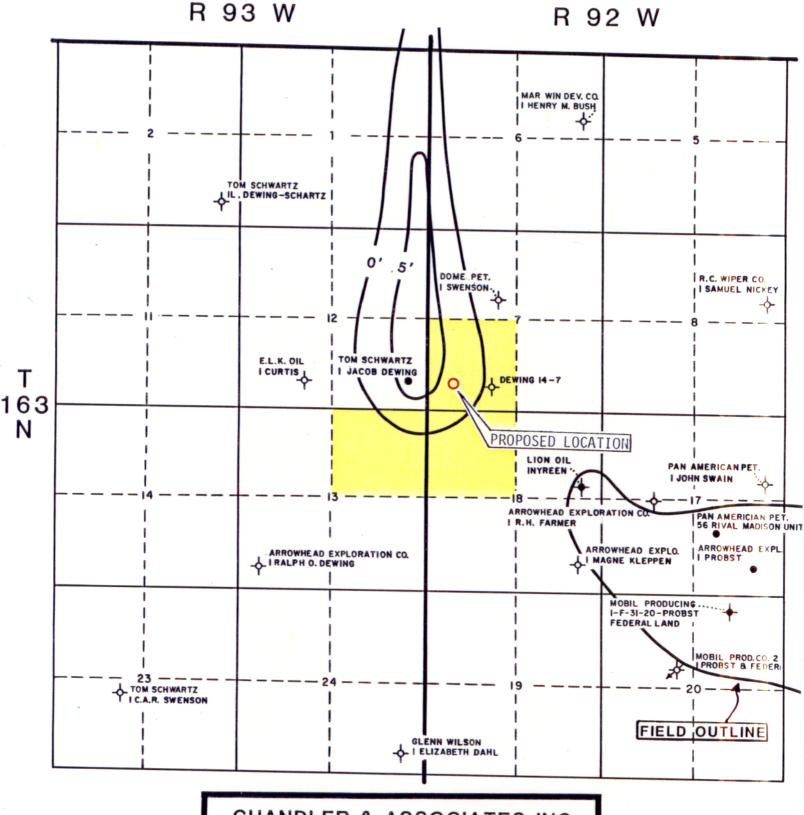


STRUCTURE MAP SPACING EXCEPTION HEARING DEWING 13-7 SW SW SEC.7-163N-92W

STRUCTURE: TOP NESSON (RIVAL)

C.I. = 50'

EXHIBIT A



CHANDLER & ASSOCIATES INC.

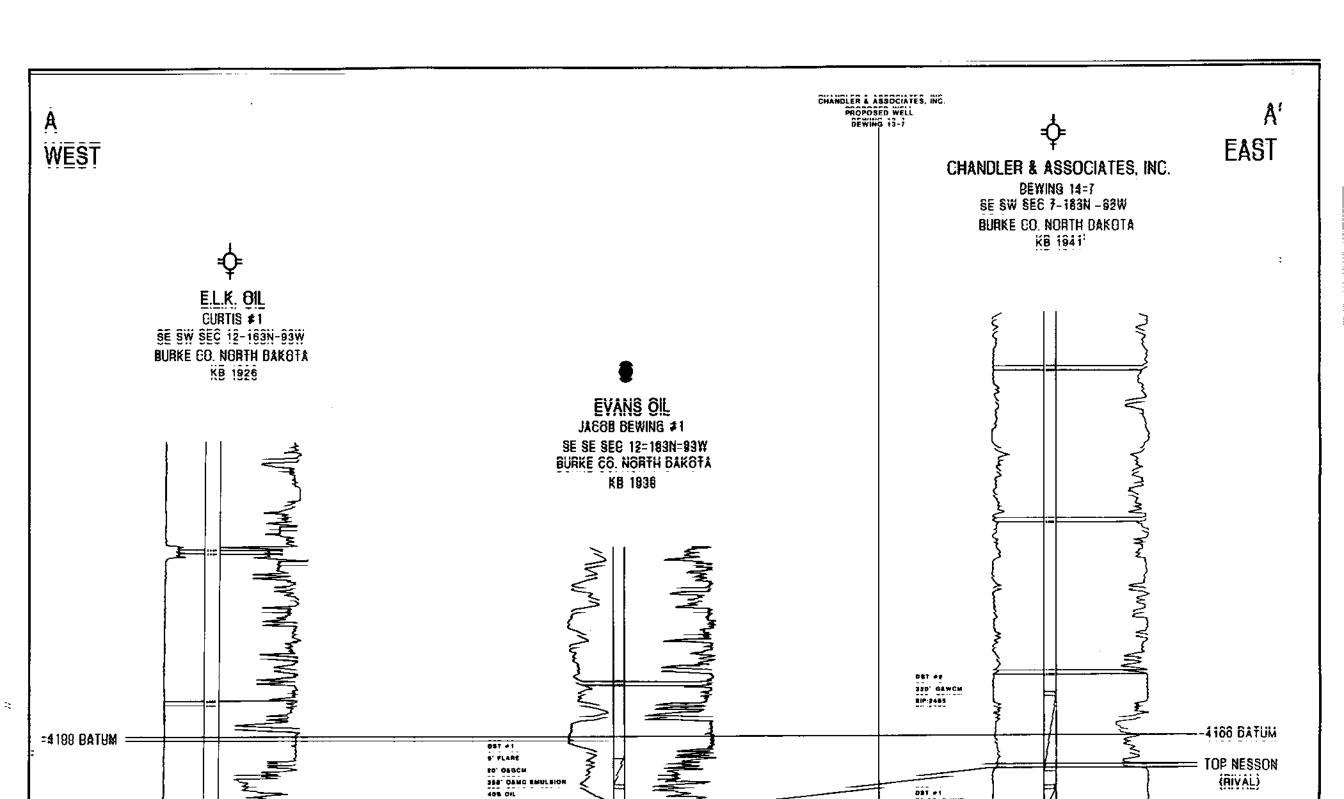
SPACING EXCEPTION

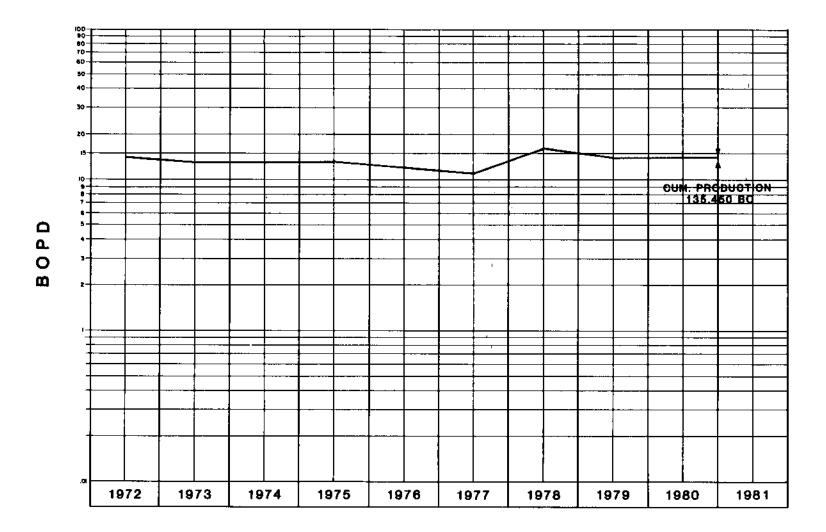
ISOPACH MAP

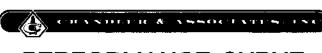
DEWING 13-7

SEC.7-R92W-T163N

BURKE COUNTY, NORTH DAKOTA



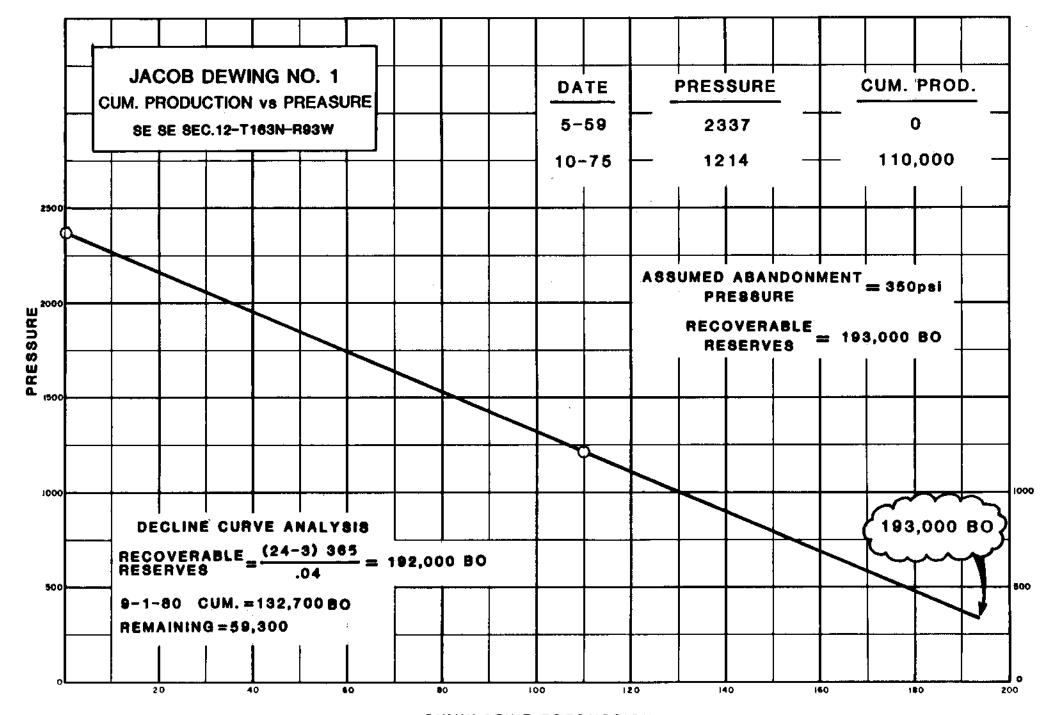




PERFORMANCE CURVE

FOR

JACOB DEWING NO. 1 SE SE SEC.12-T163N-R93W BURKE COUNTY, NORTH DAKOTA



DRAINAGE AREA DETERMINATION

JACOB DEWING No. 1 SE SE SEC. 12-163N-93W BURKE COUNTY, NORTH DAKOTA

NET	PAY	8'			AVG	POROS I 1	ΥØ	16%
REC	FACTOR	15%			AVG	SW		35%
					во			1.60
		00IP	±	7758 (Ø) (1-SW	<u>4)</u>		·	
			=	7758 (.16) (1-	35)	= 504.	27 Bb1 AC-FT	
		00IP	=	(504.27 Bb1) AC-FT	<u>(8</u>	FT)		
			=	4034 Bb1/ACRE	Ē			
		REC OIL	=	00IP x RF ₀	= <u>40</u>	34 x	.15 =	605 BO/ACRE
		DRAINAGE	E Af	REA = ULT REC REC OIL	Z/ACR	<u>=</u> =	192,000 605	BO/ACRES

= 317 ACRES

DRAINAGE AREA DETERMINATION

JACOB DEWING No. 1 SE SE SEC. 12-163N-93W BURKE COUNTY, NORTH DAKOTA

NET	PAY	81			AVG	POROSI	TY Ø _	16%	
REC	FACTOR	15%			AVG	SW	_	35%	
					В0		_	1.60	
		00IP	=	7758 (9) (1-	<u>-SW)</u>				
			=	7758 (.16) (135)	= 504	.27 Bb	<u>1</u>	
		00IP	=	(504.27 Bb1) AC-FT	(8	FT)			
			=	4034 Bb1/AC	RE	÷			
		REC OIL	= -	OOIP x RFo	= 40	134 x	<u>.15</u> :	= <u>605</u> BO/ACRE	
		DRAINAGE	E Af	REA = ULT R REC 0	EC - VIL/ACR	<u>:</u> =	192,00 605	DO BO BO/ACRES	
				•		=	317 A	CRES	

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION)
OF CHANDLER & ASSOCIATES, INC. FOR)
AN ORDER OF THE COMMISSION TO PER-)
MIT THE DRILLING OF A WELL IN THE)
SW\(^4\sum_3\sum_4\), SECTION 7, TOWNSHIP 163)
NORTH, RANGE 92 WEST, BURKE COUNTY,)
NORTH DAKOTA, AS AN EXCEPTION TO)
THE SPACING REQUIREMENTS IN THE)
SHORT CREEK FIELD.

APPLICATION

COMES NOW the applicant, Chandler & Associates, Inc., and respectfully alleges:

- 1. That it is the owner of an interest in the oil and gas leasehold estate in the SW% of Section 7, Township 163 North, Range 92 West, Burke County, North Dakota.
- That a dry hole was drilled in the SE¼SW¼ of Section
 Township 163 North, Range 92 West, Burke County, North Dakota.
- 3. That the drilling of the proposed well is necessary to protect correlative rights and prevent waste.

WHEREFORE applicant requests that the matter be set for hearing before the North Dakota Industrial Commission at its next regularly scheduled meeting and that thereafter the Commission issue its order permitting the drilling of said well as requested.

Dated at Bismarck, North Dakota, this 27th day of April, 1981.

Ву

CHANDLER & ASSOCIATES, INC.

FLECK, MATHER, STRUTZ & MAYER, Ltd. Attorneys for the Applicant 600 Dakota Northwestern Building

Bismarck ND 58501

Russell R. Mather

RUSSELL R. MATHER, being first duly sworn on oath, deposes and says that he is the attorney for the Applicant herein named, that he has read the above and foregoing Application, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, information and belief.

:ss

Subscribed and sworn to before me this 27th day of April, 1981.

RUSSELL

Joan Nelson, Notary Public
Burleigh County, North Dakota
My Commission Expires: 11-25-81

R.

AFFIDAVIT OF PUBLICATION

STATE OF NORTH DAKOTA)
COUNTY OF BURKE
Gerald M. Pfeifer of said County and State, being first duly sworn, on his oath, says that he is the owner of The Burke County Tribune, a weekly newspaper of general circulation, printed at Bowbells, in said County and State, and that he has been during the time hereinafter mentioned, and that the Notice of Publication of
a printed copy of which is hereto annexed, was published in the regular and entire issue of said newspaper during the period and time of publication, and that the Notice was published in the newspaper proper and not in a supplement, once each week for — successive weeks, to-wit:
<u>5-6</u> 198/ 19 19
Jeral P. Pfeifer
Subscribed and sworn to before me this
Notary Public in and for Burke County, North Dakota
Q 15
Fee \$

Notice of Publication

North Dakota Industrial Commission Bismarck, North Dakota

The State of North Dakota by its Industrial Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulaged thereunder of the following public hearing to be held at 1:30 p.m. on May 20, 1981, in the Large Hearing Room, State Capitol Building, Bismarck, North

Dakota. For the purposes of this hearing an examiner will be appointed by the Commission for the purpose of receiving testimony and exhibits. STATE OF NORTH DAKOTA TO:

All named parties and persons having any right, title, interest, or claim in the following cases and notices to the public. CASE NO. 2136: On a motion of the Commission to consider the application of Chandler & Assoc. Co. for an order to permit the drilling of a well in the SW SW of Section 7, T163N, R92W, Burke County, North Dakota, as an exception to the spacing requirements in the Short Creek Field. Signed by

Allen I. Olson, Governor Chairman, N.D. Industrial Commission May 6, 1981



HAROLD L. NELSON State Printing Agent