

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 2450
ORDER NO. 2760

IN THE MATTER OF A HEARING CALLED
ON A MOTION OF THE COMMISSION TO
CONSIDER THE APPLICATION OF
MAR-WIN DEVELOPMENT COMPANY FOR
AN ORDER TO PERMIT THE DRILLING OF
A WELL IN THE SW NW OF SECTION 7,
T.163N., R.92W., BURKE COUNTY,
NORTH DAKOTA, AS AN EXCEPTION TO
THE SPACING REQUIREMENTS IN THE
SHORT CREEK FIELD.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 1:00 p.m. on the 24th day of May, 1982, in Bismarck, North Dakota, before an examiner appointed by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 22nd day of June, 1982, 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 NW/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 in the center of the SE/4 of each quarter.

(4) That applicant is desirous of drilling a well on said spacing unit located in the approximate center of the SW/4 of the NW/4.

(5) That the well drilled at the proper location on said spacing unit resulted in a dry hole.

(6) That geological evidence presented to the Commission indicates that there is producible commercial oil under a portion of the spacing unit, and that a well drilled at the proposed location would produce such oil which might otherwise not be produced.

(7) That due to the geological conditions, the proposed location is the most advantageous point to drill a test well on said spacing unit in order to recover the maximum amount of oil in the reservoir under the spacing unit.

(8) 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 in the approximate center of the SW NW 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 oil and/or gas in the reservoir.

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

Dated this 22nd day of June, 1982.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

/s/ Allen I. Olson
Allen I. Olson, Governor

/s/ Robert O. Wefald
Robert O. Wefald, Attorney General

/s/ Kent Jones
Kent Jones, Commissioner of Agriculture

Mar-Win Development Co.
Short Creek Field
Spacing Hearing Case # 2450
Sec. 7 T-163N, R-63W
Burke County, North Dakota

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
Date 5-2-55 Case No. 2450
Introduced by Mar-Win Development Co.
Exhibit 1
Identified by Mar-Win Development Co.

Mar-Win Development Co.

Short Creek-Madison Pool
Case # 2450
Spacing Exception

The Short Creek-Madison pool is under the following described tracts of land in Burke County, North Dakota:

T-164N, R-93W, 5th PM
Sec. 25: $S\frac{1}{2}S\frac{1}{2}$
Sec. 26: $S\frac{1}{2}SE\frac{1}{4}$
Sec. 35: $E\frac{1}{2}$
Sec. 36: All

T-164N, R-92W, 5th PM
Sec. 30: $S\frac{1}{2}S\frac{1}{2}$
Sec. 31: All

T-163N, R-93W, 5th PM
Sec. 1: All
Sec. 2: $E\frac{1}{2}$
Sec. 11: $E\frac{1}{2}$
Sec. 12: All
Sec. 13: All
Sec. 14: $E\frac{1}{2}$
T-163N, R-92W, 5th PM
Sec. 6: All
Sec. 7: All
Sec. 18: All

The proper spacing is 160.00 acres. The wells are to be located in the approximate center of the $SE\frac{1}{4}$ of each quarter.

The Short Creek Field is being produced from the Madison formation with a total of three producing wells, at this time:

- 1.) #1 Jacob Dewing
 Operated by:
 Completed:
 Producing zone:
 IP:
 T-163N, R-93W
 Sec. 12: $SE\frac{1}{4}SE\frac{1}{4}$
 B.D. Evans Oil Company
 Rt. 2, Box 1245
 Deming, N.M. 88030
 5/10/59
 Nesson 6082-85
 118 B0 50 BWPD, 3/4" ck.
- 2.) #1 Leonard Dewing
 Operated by:
 Completed:
 Producing zone:
 IP:
 Gravity:
 GOR:
 T-163N, R-93W
 Sec. 12: $SE\frac{1}{4}NE\frac{1}{4}$
 Mar-Win Development Co.
 P.O. Box 4482
 Topeka, Ks. 66604
 Sept, 1981
 Nesson 6031-39
 30 BOPD
 $\pm 40^\circ$
 2700
- 3.) #1 Curtis
 Operated by:
 They are perforating the Nesson and testing.
 T-163N, R-93W
 Sec. 12: $SE\frac{1}{4}NW\frac{1}{4}$
 Monsanto Company
 5051 Westheimer, Ste. 1300
 Houston, TX 77056

Mar-Win #1 Swenson
Short Creek Field
Case # 2450
Burke County, North Dakota

Field Data

1.)	Reservoir pressure	2450	
2.)	Gravity	±40	
3.)	Gas-oil ratio	±1000	
4.)	Porosity of net pay	15	
5.)	Thickness of net pay	10	
6.)	Permeability	-fracture+	
7.)	Formation volume factor	1.60	
8.)	Pore point	25°F	
9.)	Reservoir Temp.	175°	- -
10.)	Reservoir drive mechanism	Wtr. + solution gas	
11.)	Bubble point pressure	NA	

SHORT CREEK FIELD
Burke County, North Dakota
T-163N, R-92 & 93W

Mar-Win #1 Swenson
Case # 2450
Exhibit A

	R93W	R92W	
2	Century O&G Blackhawk Resources	Shell Oil Century O&G Kelsch & Dohlin Mar-Win R&B Potts	Century O&G Ward-Williston Drlg. H.&E. Bush F.&G. Bush Chandler & Assoc. 5
11	Tenneco R.Murphy Marmik Oil C.H.Murphy Blackhawk Shell	Mar-Win D.Wilson & Assoc. B. Evans B.D.Evans Oil Chandler & Assoc.	R.&B. Potts Moore McCormack O&G Chandler & Assoc. 3
14	Shell	Chandler & Assoc Deca Monsanto	Anschoitz Deca Monsanto Arrowhead Ada Land 17

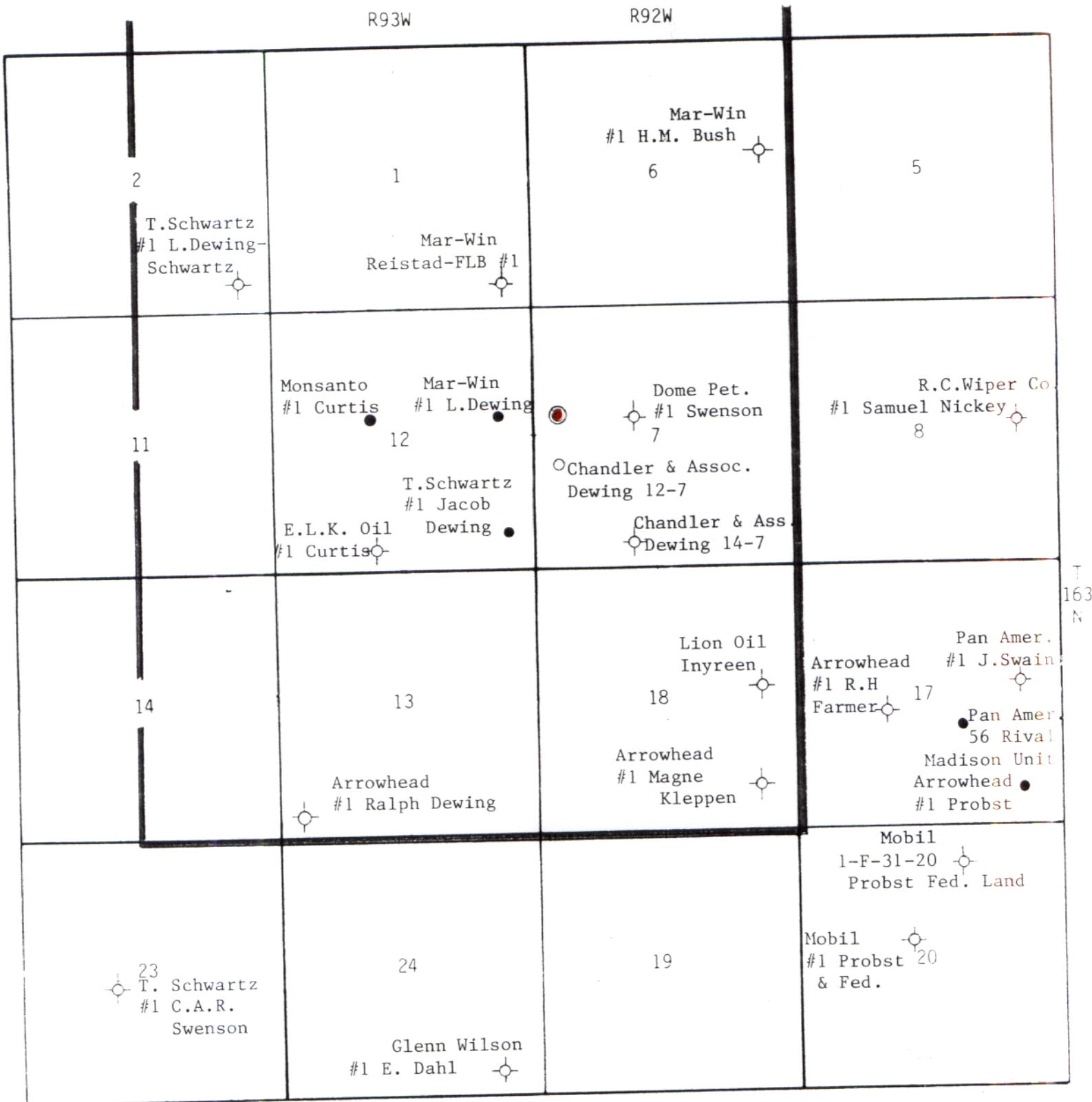
T
163
N

 Spacing Area

Lease ownership-Working & nonworking interest

SHORT CREEK FIELD
Burke County, North Dakota
T-163N, R-92 & 93W

Mar-Win #1 Swenson
Case # 2450
Exhibit B

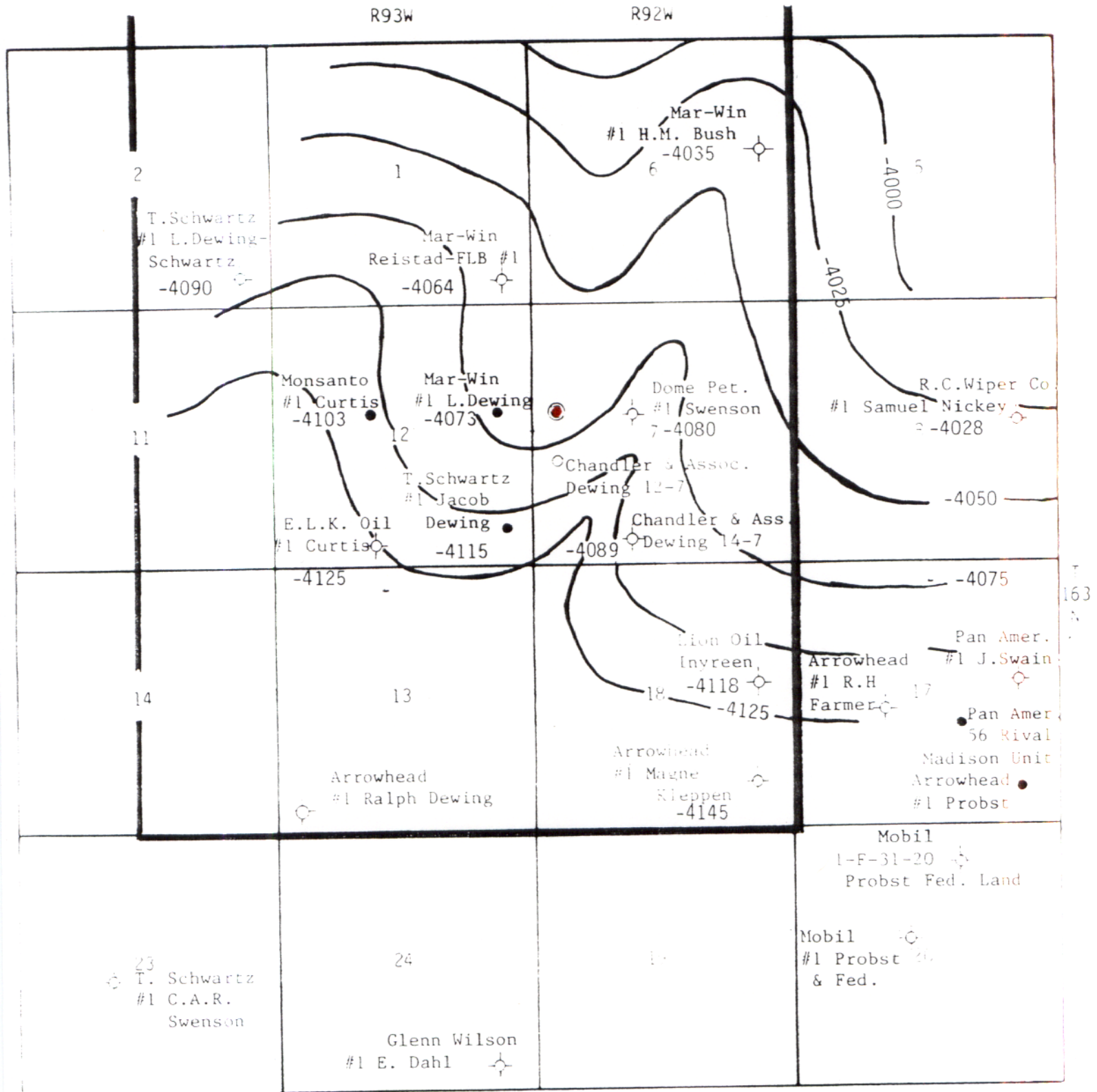


Spacing Area
PROPOSED LOCATION

Unit Area - well locations - adjacent wells

SHORT CREEK FIELD
Burke County, North Dakota
T-163N, R-92 & 93W

Mar-Win #1 Swenson
Case # 2450
Exhibit C

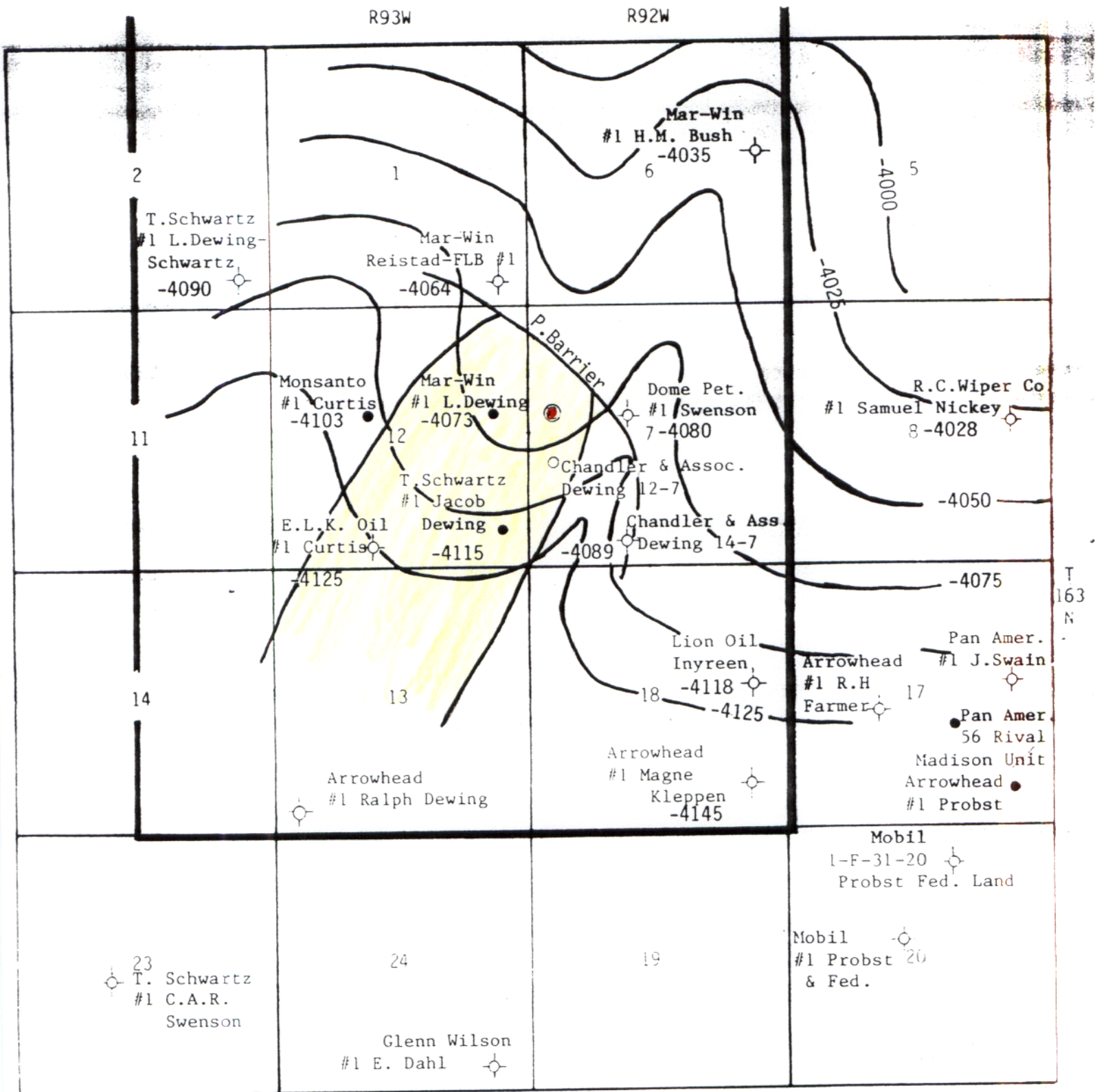


Spacing Area
PROPOSED LOCATION

Structure Map - Top of the Midale Zone
C.I. 25'

SHORT CREEK FIELD
Burke County, North Dakota
T-163N, R-92 & 93W


Mar-Win #1 Swenson
Case # 2450
Exhibit D





Spacing Area
PROPOSED LOCATION


Reservoir Limits
Structure Map - Top of the Midale Zone
C.I. 25'

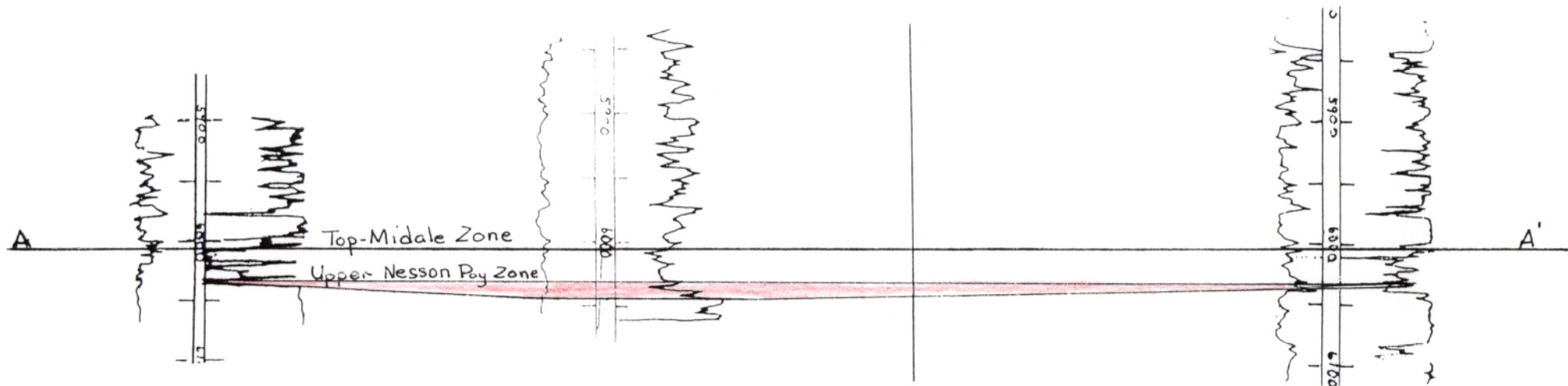
SHORT CREEK FIELD


 Mar-Win
 Reistad FLB #1
 T-163N, R-93W
 Sec. 1: SESE
 Burke Co., North Dakota
 1945 KB


 Mar-Win
 #1 L. Dewing
 T-163N, R-93W
 Sec. 12: SENE
 Burke Co., North Dakota
 1934 KB

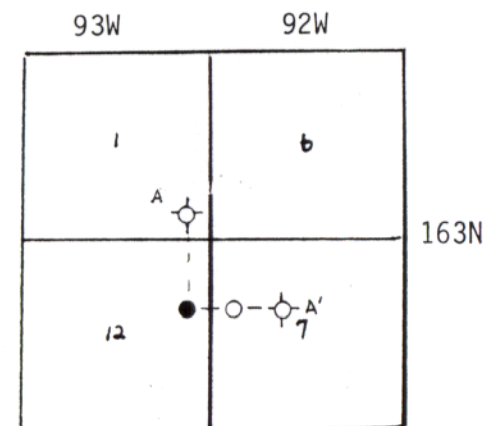

 Mar-Win
 Proposed Location
 T-163N, R-92W
 Sec. 7: SWNW
 Burke Co., North Dakota


 Dome Petroleum
 M. Swenson #1
 T-163N, R-92W
 Sec. 7: SENW
 Burke Co., North Dakota
 1929 KB



Mar-Win #1 Swenson
 Case # 2450
 Exhibit E

Cross-Section
 A - A'



F.

Economics
Mar-Win #1 Swenson
Short Creek Field
Burke County, North Dakota

NET REVENUE

Crude Price	\$26.00 +
ND Excise Tax	1.30 -
WFP Tax	2.40 -
Landowner Royalty	2.79 -
ND Extraction Tax	1.48 -
ORR Interest	1.35 -
Direct Operating Exp.	2.50 -
	<hr/>
Net Revenue	\$14.18

PAYOUT

Drill & Complete			450,000
Payout requires	450,000	=	31,735 Bbls produced
	<hr/> 14.18		

NET PROFIT (160 acre spacing)

Drill & Complete	450,000
Reserve Barrels	52,366
(By Volumetric estimate)	
Net Revenue	742,550
Profit	292,550
%	65

All estimates undiscounted and before federal income tax

MAR-WIN DEVELOPMENT CO.
913 / 272-2766 P. O. BOX 4482
TOPEKA, KANSAS 66604

April 29, 1982



CASE # 2450

Mr. Jack Wilburn
North Dakota Industrial Commission
Oil & Gas Division
State Office Building
900 East Boulevard
Bismarck, N.D. 58505

RE: Request For Hearing
For Spacing Exception
Short Creek Field
Burke County, N.D.

Dear Mr. Wilburn,

Mar-Win Development Co. respectfully requests a hearing for a spacing exception to drill in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 7-T163N,R-92W, Short Creek Field, Burke County, North Dakota.

The reason we need the spacing exception is that a dry hole was drill in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ of Sec. 7-T163N,R-92W, Burke County, North Dakota.

Mar-Win Development Co. requests that this matter be set before an examiner at an early date convenient to the Commission, and the Commission allow the drilling of a well in the SW $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 7-T163N,R-92W, Short Creek Field, Burke County, North Dakota.

Very truly yours,

Mar-Win Development Co.

BY:

Judith K. Rumsey, Agent

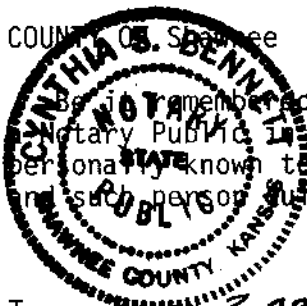
STATE OF Kansas

COUNTY OF Shawnee

Be it remembered, That on this 29th day of April, 1982, before me, the undersigned Notary Public in and for the County and State aforesaid, came Judith K. Rumsey who personally known to me to be the same person who executed this instrument of writing, and said person duly acknowledged the execution of the same.

29th day of April, 1982

Term expires 3-28-83



Cynthia S. Bennett

#40134 8/10.72

PA 6-4-82

AFFIDAVIT OF PUBLICATION

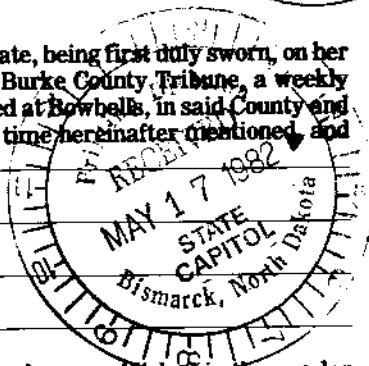


STATE OF NORTH DAKOTA)

COUNTY OF BURKE)

Rhoda D. Greenup of said County and State, being first duly sworn, on her oath, says that she is the owner of The Burke County Tribune, a weekly newspaper of general circulation, printed at Bowbells, in said County and State, and that she has been during the time hereinafter mentioned, and that the Notice of Publication of

Hearing



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 1 successive weeks, to-wit:

5-12 1982 19 19

19 19

Rhoda Greenup

Subscribed and sworn to before me this

12th

day of

May

19 82

Teri J. Baumann

Notary Public in and for Burke County, North Dakota

Fee \$ 10.72

TERI J. BAUMANN
Notary Public BURKE COUNTY, N. DAK.
My Commission Expires MAY 24, 1984

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 promulgated thereunder of the following public hearing to be held at 1:00 p.m. on May 24, 1982, State Office Building, 900 East Blvd., Bismarck, North Dakota. For the purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will receive 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. 2450: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF MAR-WIN DEVELOPMENT COMPANY FOR AN ORDER TO PERMIT THE DRILLING OF A WELL IN THE SW NW OF SECTION 7, T. 163 N., R. 92W., BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO THE SPACING REQUIREMENTS IN THE SHORT CREEK FIELD.

Signed by,
Allen I. Olson, Governor
Chairman, ND Industrial Commission
May 12, 1982

