

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 2791
ORDER NO. 3143

IN THE MATTER OF A HEARING CALLED
ON A MOTION OF THE COMMISSION TO
CONSIDER THE PROPER SPACING FOR
THE DEVELOPMENT OF THE
MINNESOTA-MADISON POOL, BURKE
COUNTY, NORTH DAKOTA, REDEFINE
THE LIMITS OF THE FIELD, AND ENACT
SUCH SPECIAL FIELD RULES AS MAY BE
NECESSARY.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m. on the 26th day of April, 1983, in Dickinson, North Dakota, before an examiner appointed by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 10th day of May, 1983, 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 geological and engineering evidence presented to the Commission relative to the matter of well spacing indicates that the Minnesota-Madison Pool, as classified and defined in this order, should be developed on a pattern of one well to 80 acres in order to drain efficiently the recoverable oil from said pool, assure rapid development, avoid the drilling of unnecessary wells, and prevent waste in a manner that will protect correlative rights.

(3) That proper 80-acre spacing in the Minnesota-Madison Pool in this field will result in the efficient and economical development of the field as a whole and will operate so as to prevent waste and provide maximum ultimate recovery, will avoid the drilling of unnecessary wells, and will protect correlative rights.

(4) That the unrestricted flaring of gas produced from the Minnesota-Madison Pool could be considered waste, and in order to minimize such, production from the pool should be restricted until the wells producing therefrom are connected to a gas gathering and processing facility.

(5) That certain special field rules are necessary to prevent waste and protect against the contamination and pollution of surface lands and fresh waters.

IT IS THEREFORE ORDERED:

(1) That the following described tracts of land in Burke County, North Dakota, be, and the same are hereby designated the Minnesota Field:

TOWNSHIP 162 NORTH, RANGE 89 WEST, 5TH PM
ALL OF SECTIONS 21 AND 28.

together with those additional quarter-quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands adjacent to the boundaries of the field as set forth above, provided further that such extensions of the field boundaries shall include only sufficient acreage to form a spacing unit for such wells, and any intervening lands.

(2) That the Minnesota-Madison Pool be, and the same is hereby defined as that accumulation of oil and gas found below the base of the Last Charles Salt and above the top of the Lodgepole Formation within the limits of the field as set forth above.

(3) That effective this date, the proper spacing for the development of the Minnesota-Madison Pool be, and the same is hereby set at one well to 80 acres.

(4) That all wells hereafter drilled to said pool shall be located not less than 500 feet from a spacing unit boundary nor closer than 1320 feet to a well permitted to or producing from the pool. Wells presently permitted to or producing from the pool that do not conform to this spacing pattern shall be considered exceptions.

(5) That spacing units in the Minnesota-Madison Pool shall consist of any two adjacent quarter-quarter sections or governmental lots corresponding thereto within the same quarter sections, and hereafter such spacing units shall be determined by the location of the well; the spacing units shall be in a direction so as to allow the first well in a section to be nearest to the center of the spacing unit; spacing units for wells being equi-distant from the mid-section lines shall be designated by the operator; however, the Commission shall have continuing jurisdiction, and in the event that spacing units hereafter formed by this policy do not coincide with the geological and physical nature of the reservoir, the Commission may alter specific spacing units upon application by any interested party, after due notice and hearing.

(6) That no well shall be drilled hereafter in the Minnesota-Madison Pool except in conformity with the regulations above without special order of the Commission after due notice and hearing.

(7) That the following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the Minnesota-Madison Pool;

- (a) The surface casing shall consist of new or reconditioned pipe that has been previously tested to 1000 pounds per square inch. The casing shall be set and cemented at a point not less than 50 feet below the base of any fresh water aquifer in the area. Sufficient cement shall be used to fill the annular space outside the pipe to the surface of the ground or the bottom of the cellar, and sufficient scratchers and centralizers shall be used to assure a good cement job. Cement shall be allowed to stand a minimum of 12 hours before drilling the plug or initiating tests.
- (b) The producing or oil string shall consist of new or reconditioned pipe that has been previously tested to 3000 pounds per square inch. Casing shall be set and cemented at a point not higher than the top of the producing formation. Sufficient cement shall be used and applied in such manner as to adequately protect and isolate all formations containing oil and/or gas, protect the pipe through salt sections encountered, and to isolate the Dakota-Lakota Series. The cement shall be allowed to stand a minimum of 24 hours before drilling the plug or initiating tests. After cementing, the casing shall be tested by application of pump pressure of at least 2000 pounds per square inch. If, at the end of 30 minutes this pressure shall have dropped 150 pounds per square inch or more, the casing shall be repaired. Thereafter, the casing shall again be tested in the same manner. Further work shall not proceed until a satisfactory test has been obtained.
- (c) All well-head fittings and connections shall have a working pressure in excess of that to which they are expected to be subjected.
- (d) All wells shall be equipped with tubing; all tubing shall be of sufficient internal diameter to allow the passage of a bottom-hole pressure gauge for the purpose of obtaining bottom-hole pressure measurements.

(8) That the gas-oil ratio of each well shall be measured during the month of July, and the reservoir pressure of flowing wells shall be measured in the months of May and November, and in pumping wells when the rods are pulled but at least once annually and reported to the Enforcement Officer within 15 days following the end of the month in which they are determined. Pressure measurements shall be made at or adjusted to a subsea datum of 3,920 feet after the well has been shut in for 48 hours. All gas-oil ratio and reservoir pressure determinations shall be made under the supervision of and by methods approved by the Enforcement Officer. The Enforcement Officer is authorized to waive these requirements if the necessity therefor can be demonstrated to his satisfaction.

(9) That no salt water shall be stored in pits in this field, except in an emergency, and approved by the Enforcement Officer.

(10) The Dakota-Lakota Series in and under the Minnesota Field, is hereby designated a disposal reservoir, and the Enforcement Officer is authorized to approve requests to utilize wells in the field, as herein defined, for salt water disposal purposes.

(11) That all wells in the Minnesota-Madison Pool shall be allowed to produce at an unrestricted 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.

(12) That this order shall cover all of the Minnesota-Madison Pool common source of supply of crude oil and/or natural gas as herein defined, and shall continue in full force and effect until further order of the Commission or until the last well in the pool has been plugged and abandoned.

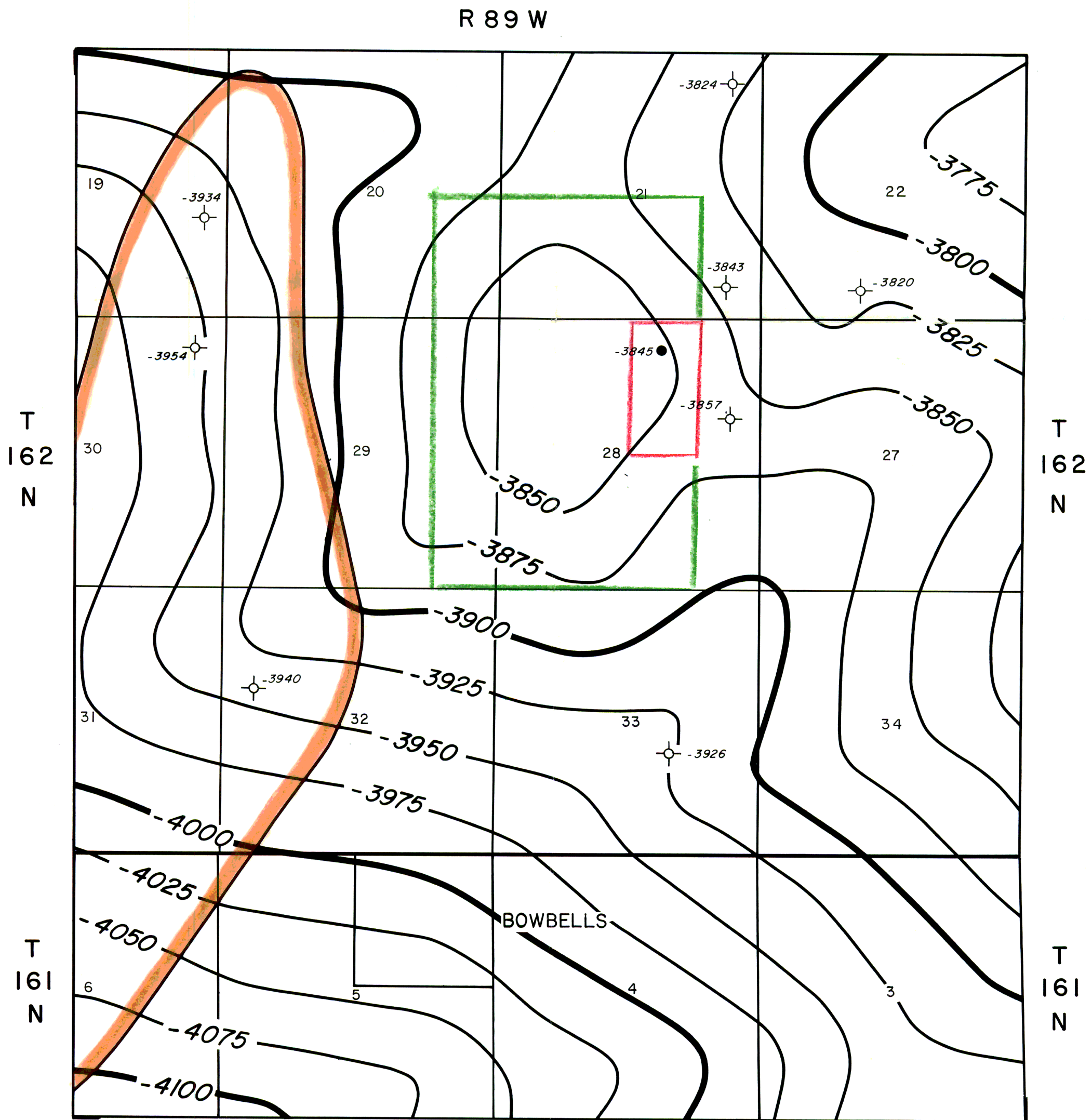
Dated this 10 day of May, 1983.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

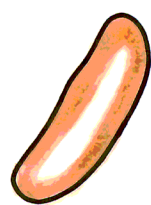
ALLEN I. OLSON
Allen I. Olson, Governor

ROBERT O. WEFALD
Robert O. Wefald, Attorney General

KENT JONES
Kent Jones, Commissioner of Agriculture



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
Date 4-26-83 Case No. 2791
Introduced by Enstar
Exhibit C
Identified by Ken Altschultz



IMPERMEABLE CEMENTED
ISLAND/LAGOONAL
LIME MUDSTONE

— Acreage thought to be productive
— 80 acre spacing unit for Koch 2-28 well

ENSTAR Petroleum, Inc.
1125 17th St. Suite 2040
 Denver, Colorado 80202

MINNESOTA FIELD
 BURKE CO., NORTH DAKOTA
STRUCTURE TOP MIDALE
C.I. = 25'
BLUELL FACIES
EXHIBIT "C"

DOCKET NO. 2791

R 89 W

20

21

Surface to 6,042' less railroad

Kinson Resources Inc. 25%
Imperial Oil Company 25%
Celeron Oil & Gas Inc. 50%

Below 6,042' less railroad

Shell Oil Company 100%

Surface to 7,205'

Kinson Resources, Inc. 15%
Imperial Oil Company 15%
Celeron Oil and Gas Inc. 30%
C & K Petroleum, Inc. 40%
(ENSTAR PETROLEUM INC.)

Below 7,205'

Shell Oil Company 60%
C & K Petroleum, Inc. 40%
(ENSTAR Petroleum Inc.)

Surface to 6,042'

C & K Petroleum Inc.
(ENSTAR Petroleum Inc.)
75%

Kinson Resources Inc.
19.14%

Celeron Oil & Gas Inc.
3.90%

Imperial Oil Co.
1.96%

Below 6,042'

C & K Petroleum Inc
(ENSTAR Petroleum Inc.)
75%

Shell Oil Company
25%

Monsanto Oil Company
100%

Surface to 7,205' less railroad

Kinson Resources Inc. 25%
Imperial Oil Company 25%
Celeron Oil and Gas 50%

Below 7,205' less railroad

Shell Oil Company 100%

KOCH 2-28

C & K Petroleum, Inc. 60%
(ENSTAR Petroleum, Inc.)

Celeron Oil and Gas, Inc. 15%
Camel Oil and Gas, Inc. 10%
Kinson Resources, Inc. 7.5%
Imperial Oil Company 7.5%

29

28

Surface to 7,205'

Kinson Resources, Inc. 12.5%
Imperial Oil Company 12.5%
Celeron Oil and Gas, Inc. 25.0%
Amoco Production Company 50.0%

Below 7,205'

Shell Oil Company 50.0%
Amoco Production Company 50.0%

Shell Oil Company 50%
C & K Petroleum Inc. 30%
(ENSTAR Petroleum, Inc.)

Celeron Oil and Gas, Inc. 10%
Imperial Oil Company 5%
Kinson Resources, Inc. 5%

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

Date 4-26-83 Case No. 2791

Introduced by Enstar

Exhibit B

Identified by Robin Carlson

— Acreage thought to be productive
— 80 acre spacing unit for Koch 2-28 well
— Ownership boundary



ENSTAR Petroleum, Inc.
1125 17th St., Suite 2040
Denver, Colorado 80202

MINNESOTA FIELD
BURKE CO., NORTH DAKOTA
LEASEHOLD OWNERSHIP

SCALE: 8" = 1 mi. EXHIBIT "B" R.C. 4-83

DOCKET NO. 2791

FILE NO. D-E-4

R 89 W

20

21

John Koch 60%
Claudia Lindberg 10%
Howard Corey 10%
Charles Corey 10%
Thelma Smith 10%

Louise and Arthur Reich 50%
Harry F. and Virginia M. Manson 25%

Leonard F. Klein 50%
Albert Klein 50%

Flora Hilts 100%
(less railroad)

Larry Durward 8.33%

Doris Olson 8.33%

Wayne Olson 8.33%



John Koch 100%
(less railroad)

KOCH 2-28



T
162
N

29

28

John Koch 50%
State of North Dakota 50%

Alice Edwards 33.34%
Betty Edwards Bird 22.22%
Sharell Edwards Russell 22.22%
Kathleen deHarn 22.22%

— Acreage thought to be productive
— 80 acre spacing unit for Koch 2-28 well
— Ownership boundary

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
Date 4-26-83 Case No. 2791
Introduced by Enstar
Exhibit A
Identified by Robin Carlson



ENSTAR Petroleum, Inc.
1125 17th St., Suite 2040
Denver, Colorado 80202

MINNESOTA FIELD
BURKE CO., NORTH DAKOTA
MINERAL OWNERSHIP

SCALE: 8" = 1 mi. EXHIBIT "A" R.C. 4-83
DOCKET NO. 2791

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

Public 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 ___ successive weeks, to-wit:

April 13 19 *83* 19 19

Rhoda Greenup

Subscribed and sworn to before me this *13th* day of *April* 19 *83*

Teri J. Baumann
Notary Public in and for
Burke County, North Dakota

Fee \$ *28.75*

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 9:00 a.m. on April 26, 1983, Holiday Inn, Dickinson, 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. 2791: ON A MOTION OF THE COMMISSION TO CONSIDER THE PROPER SPACING FOR THE DEVELOPMENT OF THE MINNESOTA-MADISON POOL, BURKE COUNTY, NORTH DAKOTA, REDEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY. C & K PETROLEUM, INC.
CASE NO. 2792: ON MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CHANDLER AND ASSOCIATES, INC. FOR PERMISSION TO DISPOSE OF SALTWATER BY INJECTING THE WATER INTO THE DAKOTA FORMATION IN A WELL LOCATED IN THE NE NE OF SECTION 16, T.163N., R.91 W., BURKE COUNTY, NORTH DAKOTA. CASE NO. 2793: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF MONSANTO OIL COMPANY FOR PERMISSION TO DISPOSE OF SALTWATER BY INJECTING THE WATER INTO THE DAKOTA FORMATION IN A WELL LOCATED IN THE SE SE OF SECTION 1; T.163N., R.91W., BURKE COUNTY, NORTH DAKOTA.

Signed by
Allen I. Olson, Governor
Chairman, ND Industrial Commission
April 13, 1983

PAID