

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 3253
ORDER NO. 3699

IN THE MATTER OF A HEARING CALLED ON A
MOTION OF THE COMMISSION TO CONSIDER THE
APPLICATION OF THE LOUISIANA LAND &
EXPLORATION COMPANY FOR AN ORDER
PERMITTING WELLS IN THE AMBROSE-DUPEROW
POOL, DIVIDE COUNTY, NORTH DAKOTA, TO
PRODUCE OIL AT AN UNRESTRICTED RATE, AND
TO FLARE THE GAS PRODUCED THEREWITH.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m.
on the 21 day of August, 1984, in Dickinson, North Dakota, before the
Industrial Commission of North Dakota, hereinafter referred to as the
"Commission."

NOW, on this 20th _ day of September _, 1984, 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 of the five wells in the Ambrose-Duperow Pool there are only
two wells capable of producing in excess of 100 barrels of oil per day. The
Louisiana Land and Exploration #1 State 32-14 well can produce approximately
200 barrels of oil per day and 123 MCF per day. The Louisiana Land and
Exploration #1 Almos 11-23 well can produce approximately 175 barrels of oil
per day and 107 MCF per day. Further, the production rate from both wells
has declined rapidly.

(3) That if all wells in the Ambrose-Duperow Pool are produced at a
maximum rate only 350 MCF per day of gas would be produced and
approximately 100 MCF per day will be used in lease operations leaving a
maximum of 250 MCF per day of surplus gas for market. This amount will
decline as production occurs.

(4) That due to the low volume of surplus gas available for market and
the small amount of reserves, it is not economically feasible to construct the
pipeline needed to connect wells in the field to a gas plant.

(5) That the gas produced from the Ambrose-Duperow Pool is sweet
gas, and the flaring of all surplus gas produced from the pool will not
violate ambient air quality standards.

(6) That it may be economically feasible to strip liquid hydrocarbons
from the gas prior to flaring; however, additional unrestricted production is
needed in order to determine such.

(7) That the flaring of all surplus gas produced from the

Ambrose-Duperow Pool for a period of three months will not violate the correlative rights of any interested party, nor will it cause waste.

IT IS THEREFORE ORDERED:

(1) That effective September 1, 1984, the State 32-14 #1 and the Almos 11-23 #1 wells operated by Louisiana Land and Exploration are hereby permitted to be produced at unrestricted rates and flare all surplus associated gas until December 1, 1984. If, on that date the wells are either connected to a gas gathering and processing facility or the liquids in the gas are being extracted and sold, the wells may continue to produce at a maximum efficient rate. If, however, the previously stated conditions are not met by December 1, 1984, production from the wells shall be restricted as prescribed in Industrial Commission Order #3215, and succeeding production shall be in accordance with said order.

(2) That the Enforcement Officer is hereby authorized to administratively rescind the restriction on oil production from said wells prescribed in Industrial Commission Order #3215; and further, to allow the flaring of gas produced therewith provided the liquid hydrocarbons are removed from the gas and marketed prior to flaring.

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

Dated this 20th _ day of September __, 1984.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

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

Robert O. Wefald, Attorney General

/s/ Kent Jones _
Kent Jones, Commissioner of Agriculture

STATE OF NORTH DAKOTA }

COUNTY OF BURLEIGH }

AFFIDAVIT OF
MAILING

I, F.E. Wilborn, being duly sworn upon oath, depose and say: That on the 25th day of September, 19 84, I enclosed in separate envelopes true and correct copies of the attached Order No. 3699 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons, all of whom appeared at the hearing of the Industrial Commission in Case No. 3253 :

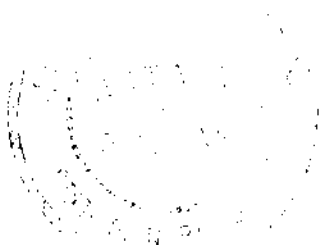
Louisiana Land & Exploration
Attn: Jim Eckroth
1675 Broadway
Suite 2100
Denver, CO 80202

F.E. Wilborn
F.E. Wilborn
Deputy Enforcement Officer
Oil & Gas Division

Subscribed and sworn to before me this 25th day of September, 19 84.

On this 25th day of September, 19 84, before me personally appeared F.E. Wilborn to me known as the person described in and who executed the foregoing instrument and acknowledged that (s)he executed the same as his/her free act and deed.

[Signature]
Notary Public
State of N.D. County of Burleigh
My Commission expires 5-12-15





NORTH DAKOTA
STATE DEPARTMENT OF HEALTH

State Capitol
Bismarck, North Dakota 58505

M. A. K. Lommen, M.D., R.P.E.
State Health Officer

August 23, 1984

Environmental Health Section
Missouri Office Building
1200 Missouri Avenue
Bismarck, North Dakota 58501

Mr. Wes Norton
Chief Enforcement Officer
Oil and Gas Division
Industrial Commission
State Office Building
Bismarck, ND 58505

Dear Mr. ^{Wes}Norton:

Based upon the testimony presented for the following cases at the August 21 and 22, 1984, Industrial Commission hearings in Dickinson, the North Dakota State Department of Health has the following comments regarding compliance with the North Dakota Ambient Air Quality Standards (NDAAQS):

Case No. 3253

Since the Louisiana Land and Exploration Company indicated that the gas is sweet, no problems with the NDAAQS are anticipated.

Case No. 3269

With the flaring rate and gas composition indicated by Atlantic Richfield (7.5 Mcf/day at 3.0% H₂S), the 20-foot high flare stack currently utilized by ARCO at the site with a continuous burning pilot or an automatic ignitor is acceptable. The Department would request that the storage tank vents be tied into the flare system or that some equally effective device be installed on the tank vents to prevent direct H₂S emissions to the atmosphere from the tanks.

Case Nos. 3264 and 3265

The Department is currently working with Monsanto and Tenneco to determine the flare stack heights required to ensure compliance with the NDAAQS. Final comments on these two cases will be provided under separate cover letter as soon as possible.

If you have any questions, please feel free to contact this office.

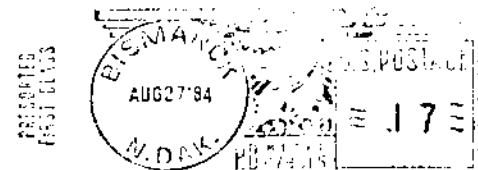
Sincerely,

Dana K. Mount, P.E.
Director, Division of
Environmental Engineering

DKM/DJL:aks

STATE DEPARTMENT OF HEALTH
Div. of Environmental Engineering
1200 Missouri Avenue, Room 304
Bismarck, North Dakota 58501

OFFICIAL MAIL
State of North Dakota



Mr. Wes Norton
Chief Enforcement Officer
Oil and Gas Division
Industrial Commission
State Office Building
Bismarck, ND 58505

THE LOUISIANA LAND AND EXPLORATION COMPANY

CASE NO. 3253

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

AUGUST 22, 1984

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

Date 8/31/84 Case No. 3253
Introduced by Jim Eckroth
Exhibit A - H
Identified by Jim Eckroth

The Louisiana Land and Exploration Company respectfully requests an order from the North Dakota Industrial Commission permitting wells in the Ambrose - Duperow Pool, Divide County, North Dakota to produce oil at an unrestricted rate, and to flare the gas produced therewith.

The following exhibits are submitted in support of the above proposal.

Exhibit A - Area Map

Exhibit B - Ambrose Field Well Summary

Exhibit C - Gas-Oil Ratio Test Data

Exhibit D - Gas Analysis (5 wells)

Exhibit E - Letter from Phillips Petroleum Company

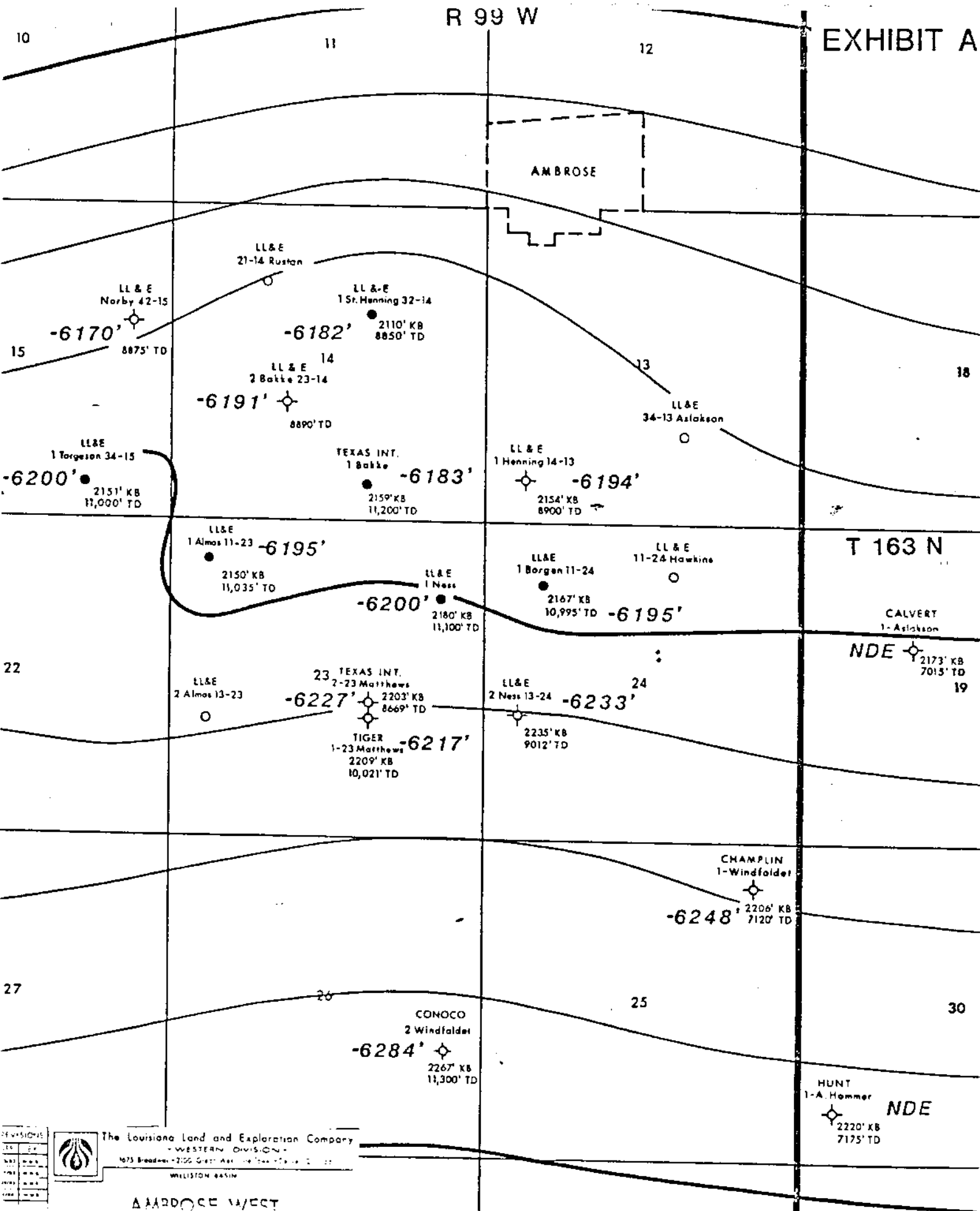
Exhibit F - Letter from Cities Service Oil & Gas Corporation

Exhibit G - Gas Processing Proposal from Custom Energy Construction Inc.

Exhibit H - Gas Processing Proposal from NGL Industries, Inc.

R 99 W

EXHIBIT A



REVISIONS	DATE	BY	DESCRIPTION
1	10/1/55	W.B.	Initial
2	10/1/55	W.B.	Initial
3	10/1/55	W.B.	Initial
4	10/1/55	W.B.	Initial
5	10/1/55	W.B.	Initial
6	10/1/55	W.B.	Initial
7	10/1/55	W.B.	Initial
8	10/1/55	W.B.	Initial
9	10/1/55	W.B.	Initial
10	10/1/55	W.B.	Initial



The Louisiana Land and Exploration Company
 - WESTERN DIVISION -
 1675 Broadway - 2100 West - New Orleans, Louisiana
 WILKINSON BASIN

AMBROSE WEST

AMBROSE FIELD WELL SUMMARY

Well Name	T163N-R99W Sec. Loc.	Operator	Status	Prod Form.	Perf Int.	Comp Date	Initial Potential			Current Rate			GOR	Cum Oil
							BOPD	BWPD	MCFGPD	BOPD	BWPD	MCFGPD		
#1 State 32-14	SW NE 14	LL&E	Producing	Duperow	8444-8447 8424-8436 8410-8416	11/28/83	494	0	258	100	-	61	615	58370**
#1 Bakke	SW SE 14	Texas Int.	Producing	Duperow	8458-8464 *	08/25/81	81	7	70	32	20	35	1093	48000*
#1 Almos 11-23	NW 1/4 23	LL&E	Producing	Duperow	8460-8465 8490-8495	07/09/83	366	0	183	100	-	61	610	58750**
#1 Ness 41-23	NENE 23	LL&E	Producing	Duperow	8496-8500 8526-8530	02/14/83	153	0	79	44	0	38	871	31420**
1-23 Matthews	NW SE 23	Tiger Oil	P&A	-----	-----	09/12/74	-	-	-	-	-	-	-	-
Matthews 2-23	NW SE 23	Texas Int.	P&A	-----	-----	02/20/82	-	-	-	-	-	-	-	-
Borgen 11-24	NW NW 24	LL&E	Shut In	Duperow	8500-8512 8471-8482	09/29/83	51	3	46	0	0	0	-	5030**
#1 Torgeson 34-15	SW SE 15	LL&E	Producing	Duperow	8456-8470 8486-8495	05/07/84	44	3	45	30	3	31	1025	3000**
#2 Bakke 23-14	NESW 14	LL&E	P&A	-----	-----	05/12/84	-	-	-	-	-	-	-	-
#1 Norby 42-15	SE NE 15	LL&E	P&A	-----	-----	06/07/84	-	-	-	-	-	-	-	-
#2 Ness 13-24	NW SW 24	LL&E	P&A	-----	-----	12/14/83	-	-	-	-	-	-	-	-
#1 Henning 14-13	SW SW 13	LL&E	P&A	-----	-----	10/01/83	-	-	-	-	-	-	-	-

*Thru May 1984.
**Thru July 1984.

ESTIMATED UNRESTRICTED PRODUCTION

Well Name	BOPD	BWPD	MCFGPD
#1 State 32-14	200	-	123
#1 Almos 11-23	175	-	107



PHILLIPS PETROLEUM COMPANY

Williston, North Dakota
P.O. Box 1343 Phone: 701 774-0421

Gas and Gas Liquids Group

May 14, 1984

Louisiana Land & Exploration
Great West Life Tower
1675 Broadway - Suite 2100
Denver, CO 80202

ATTENTION: Jim Eckroth

Gentlemen:

Listed below are results of the Gas-Oil Ratio tests that we ran on your leases in the Amprose Field, Divide County, North Dakota:

LEASE	WELL #	24 HOUR OIL PROD.	DAILY GAS VOL. MCF	GOR	LENGTH OF TEST	DATE OF TEST WEEK
Almos (11-23) (Retest)	1	141	86	610	24 Hours	5/7-5/11
Torgeson (34-15)	1	40	41	1025	24 Hours	5/7-5/11
*State-Henning (32-14)	1	156	96	615	24 Hours	5/7-5/11

*Attached please find a copy of our Analysis Results Summary on the Louisiana Land & Exploration #1 State-Henning (32-14) lease.

Thank you for your assistance in making it possible for us to test your leases.

Very truly yours,

G. E. Barrier
G. E. Barrier

GEB/bad

cc: John Fager
Bob Chebul
File


PHILLIPS PETROLEUM COMPANY

 WILLISTON, NORTH DAKOTA 58801
 BOX 1343

GAS AND GAS LIQUIDS GROUP

July 11, 1983

 Louisiana Land & Exploration
 Great West Life Tower
 1675 Broadway - Suite 2100
 Denver, Colorado 80202

ATTENTION: Bob Chebul

Gentlemen:

Listed below are results of the Gas-Oil-Ratio tests that we ran on your leases in the Ambrose Field, Divide County, North Dakota:

LEASE	WELL #	24 HOUR OIL PROD.	DAILY GAS VOL. MCF	GOR	LENGTH OF TEST	DATE OF TEST WEEK
Ness (Retest)	# 1	70	61	871	.24 Hour	7-4/7-8
*Almos "23"	#11	385	192	499	24 Hour	7-4/7-8

*Attached please find a copy of our Analysis Results Summary on the Louisiana Land & Exploration #1 Almos "23" lease.

Thank you for your assistance in making it possible for us to test your lease.

Very truly yours,

G. E. Barrier

GEB/kjt

 cc: John Rager
 (r) Jim Eckroth
 File

THURMOND MCGLOTHLIN INC

BOX 458

WILLISTON N D 58801

774-8817

FRACTIONAL ANALYSIS

DATE RUN

May 5, 1984

COMPONENTS

MOL%

GPM

COMPANY:

LOUISIANA LAND & EXPLOR.

CO2	0.17	0.000
N2	3.05	0.000
C1	46.08	7.792
C2	21.89	5.824
C3	16.96	4.643
IC4	2.06	0.671
NC4	6.19	1.941
IC5	1.18	0.430
NC5	1.60	0.577
C6+	0.82	0.365
H2S	0.00	0.000

LEASE:

#1 NESS 41-23

SAMPLE OF:

NE1/4 SEC23 T163N R99W

PRESSURE:

28 PSI

TEMPERATURE:

85 F

CYL NO:

TM-W6032

ANALYSIS BY:

KEN A. HUDGEONS

SECURED BY:

TM-KAH

DATE:

4-30-84

GASOLINE CONTENT @ 14.730 PSIA & 60 F

	GPM
PENTANE & HEAVIER	1.372
BUTANE & HEAVIER	3.954
PROPANE & HEAVIER	8.629

REMARKS

H2S = 0 PPM

BTU	14.73	PSIA & 60 F
DRY	1708	
WET	1678	

RESULTS TO
LOUISIANA LAND & EXPLOR.
ATTN LARRY LOEGERING
ATTN JIM ECKROATH

SPECIFIC GRAVITY
1.036

*BASED ON GPA 2145 & 2172

THURMOND MCGLOTHLIN INC

BOX 458

WILLISTON N D 58801

774-8817

FRACTIONAL ANALYSIS

COMPONENTS	MOL%	GPM
CO2	0.20	0.000
N2	3.20	0.000
C1	47.18	7.978
C2	22.40	5.960
C3	16.72	4.579
IC4	1.90	0.618
NC4	5.36	1.681
IC5	0.90	0.328
NC5	1.15	0.415
C6+	0.99	0.441
H2S	0.00	0.000

DATE RUN

May 5, 1984

COMPANY:

LOUISIANA LAND & EXPLOF

LEASE:

1 TORGESON 44-15

SAMPLE OF:

SE SE SEC 15 T163N R99W

PRESSURE:

26 PSI

TEMPERATURE:

70 F

CYL NO:

TM-W6041

ANALYSIS BY:

KEN A. HUDGEONS

SECURED BY:

TM-KAH

DATE:

4-30-84

GASOLINE CONTENT @ 14.730 PSIA & 60 F

	GPM
PENTANE & HEAVIER	1.184
BUTANE & HEAVIER	3.483
PROPANE & HEAVIER	8.062

REMARKS

H2S = 0 PPM

BTU 14.73 PSIA & 60 F

DRY	1670
WET	1641

RESULTS TO

LOUISIANA LAND & EXPLOR.

ATTN LARRY LOEGERING

ATTN JIM ECKROATH

SPECIFIC GRAVITY

1.014

*BASED ON GPA 2145 & 2172

THURMOND MCGLOTHLIN INC

BOX 455

WILLISTON N D 58801

774-2817

FRACTIONAL ANALYSIS

DATE RUN

Jul 17, 1984

COMPONENTS

MOL%

GPM

COMPANY:

L.L. & E.

CO2	0.17	0.000
N2	5.73	0.000
C1	46.76	7.907
C2	16.49	4.387
C3	14.14	3.872
IC4	2.13	0.693
NC4	6.37	1.998
IC5	1.46	0.532
NC5	1.91	0.668
C6+	4.84	2.156
H2S	0.00	0.000

LEASE: ALMOB 11-23
 SAMPLE OF: GAS FROM TREATER
 PRESSURE: 27 PSI
 TEMPERATURE: 807 F
 CYL NO: IM-747
 ANALYSIS BY: STEVEN HENDERSON
 SECURED BY: NGL-300
 DATE: 7/16/84

GASOLINE CONTENT @ 14.733 PSIA & 60 F

	GPM
PENTANE & HEAVIER	3.376
BUTANE & HEAVIER	6.067
PROPANE & HEAVIER	8.839

REMARKS
 NO H2S REPORTED

BTU 14.73 PSIA & 60 F
 DRY 1802
 WET 1771

RESULTS TO
 NGL - DENVER
 ATTEN. JOHN LEHMAN

SPECIFIC GRAVITY
 1.117

BASED ON GPA 2143 & 2172

THURMOND MCGLOTHLIN INC

BOX 458

WILLISTON ND 58601

774-8817

FRACTIONAL ANALYSIS

DATE RUN

Jul 17, 1984

COMPONENTS

MOL%

GPM

COMPANY:

L.L. & E.

CO2	0.16	0.000
N2	3.54	0.000
C1	44.00	7.440
C2	21.01	5.590
C3	16.73	4.562
IC4	2.09	0.680
NC4	6.23	1.954
IC5	1.19	0.433
NC5	1.59	0.573
C6+	3.46	1.541
H2S	0.00	0.000

LEASE:

HENNING 32-14

SAMPLE OF:

GAS FROM TREATER

PRESSURE:

23 PSI

TEMPERATURE:

807 F

CYL NO:

TN-717

ANALYSIS BY:

STEVEN HENDERSON

SECURED BY:

NGL-BUD

DATE:

7/16/84

GASOLINE CONTENT @ 14.730 PSIA & 60 F

	GPM
PENTANE & HEAVIER	2.347
BUTANE & HEAVIER	9.191
PROPANE & HEAVIER	9.783

REMARKS

NO H2S REPORTED

BTU 14.73 PSIA & 60 F
 DRY 1914
 WET 1782

RESULTS TO

NGL - DENVER

ATTEN. JOHN LEHMAN

SPECIFIC GRAVITY
 1.111

*BASED ON GPA 2143 & 2172

form 206 9-76

PHILLIPS PETROLEUM COMPANY

Analysis Results Summary

Location Astro-Chem. LabWilliston, NDAmbrase Field Du PreeSample of: Casinghead Natural Gas, Williston, Bakken Formation

SS No. _____

Run No. G-81-4355Date Run 8-13-81Date Secured 8-13-81

Time _____

Sampler's Ident. _____

Secured from Texas International Petroleum #1 BakkeLocation SW SE Sed 14 T 163N R 99WPurpose SurveySampling Conditions: Atmos. Temp. 80°F; Pressure on Bomb 20lbs./sq. in.; Bbls oil/day 70Volume/day 63

Field Gas Pressure _____

PSIG; Line Pressure _____

PSIG.

Chromo		Analysis	
Mol. %	Liq. %	14.65 PSI at 60°F	
Carbon Dioxide	1.30	Propane	Calc. G.P.M. <u>4.047</u>
Oxygen		Ethane	Calc. G.P.M. <u>5.835</u>
Nitrogen	3.75	Iso-Butane	Calc. G.P.M. <u>.648</u>
Hydrogen Sulfide		Nor-Butane	Calc. G.P.M. <u>1.925</u>
		Pentane +	Calc. G.P.M. <u>2.888</u>
		Propane +	Calc. G.P.M. <u>9.508</u>
		Ethane +	Calc. G.P.M. <u>15.343</u>
		Test Car (Date _____)	
Ethane	42.75	B.T.U./ <u>1</u> cu. ft. W.B.	<u>1756</u>
Propane	21.99	Calc. Specific Gravity	<u>1.1190</u>
Iso-Butane	14.35	Calc. A.P.I. @ 60°F	
Nor-Butane	2.00	Observed A.P.I. Av.	
Isopentane	6.17		
Nor-Pentane	1.34	MOX + CO ₂ by acet drager	<u>0.5%</u>
	1.83	H ₂ S grains/100 cu. ft.	<u>SWLA</u>
		Mercaptans gr/100 cu. ft.	
Hexanes +	4.02	Calc. Vap. Press. #/sq. in.	
Heptanes Plus		Reid Vap. Press. #/sq. in.	
Total	100.00	Cu. Ft. gas/Gal. Liq.	
	100.00		

Analyzed by WLCCalculated by WLCChecked by GDBApproved by GDB

Additional Data and Remarks:

Gas Temp 86° FHeater Treater 20# 135°GOR 900

PG _____

Calc. Gasoline Factors

26-70 Gasoline

Excess Butane

Excess Propane

Excess Ethane & Lighter

0.0.0.0.1.0000

Distribution:

**PHILLIPS PETROLEUM COMPANY**

BARTLESVILLE, OKLAHOMA 74004

918 661-6600

GAS AND GAS LIQUIDS GROUP

August 6, 1984

Louisiana Land and Exploration Company
1675 Broadway
Suite 2100
Denver, CO 80202

Attn: Mr. J. J. Eckroth

Dear Jim:

As you requested, Phillips has reviewed the prospects for connecting the gas from LL&E's wells in the Ambrose Field of Divide County, North Dakota. Connecting these wells to Phillips gathering system would require approximately 15 miles of new pipe plus installation of one or more compressors. To justify this investment would require substantially more than one million cubic feet a day of gas production. We will continue to monitor the activity in this area, but connecting your wells does not appear to be economically feasible at this time.

Very truly yours,

PHILLIPS PETROLEUM COMPANY

A handwritten signature in cursive script, reading "Tracy T. Word".

Tracy T. Word
452 Home Savings & Loan Building
(918) 661-6137

TTW:bkm

Attachments

cc: R. S. Rehm - Williston Office



CITIES SERVICE OIL AND GAS CORPORATION
P.O. BOX 300 TULSA, OKLAHOMA 74102

August 1, 1984

Mr. Jim Eckroth
The Louisiana Land and Exploration Co.
1675 Broadway, Suite 2100
Denver, Colorado 80202

Dear Mr. Eckroth:

Cities Service Oil and Gas Corporation owns and operates a gasoline plant located approximately one mile Southeast of the town of Lignite in Burke County, North Dakota. Our gathering system behind this plant extends into the area within T-161-N to T-164-N and R-90-W to R-93-W.

Les Oldham, our gas scout, was in the area of Ambrose and Fortuna North Dakota in mid-July. He reported estimated gas volumes of approximately 300 MCFD from wells in the Ambrose area with active drilling activity. He didn't estimate gas volumes in the Fortuna area, but did indicate drilling activity to be very active.

Due to the distance from our plant gathering system in Burke County to the Ambrose area (42 miles) and to the Fortuna area (60 miles) and the estimated gas volumes available, Cities cannot economically justify the costs necessary to extend its gathering system into these areas.

Our recent telephone conversation was very informative for me as to your activity in the above areas.

Very truly yours,

NATURAL GAS LIQUIDS GROUP

D. E. Matlock
Gas Acquisition Manager

DEM:jt

cc: J. L. Adams - 1052 CSB

**CUSTOM ENERGY CONSTRUCTION, INC.**

P.O. BOX 9486

CASPER, WYOMING 82609

307/265-7800

Mr. Jim Eckroth
Louisiana Land & Exploration
1675 Broadway Suite 2100
Denver, Colorado 80202

August 2, 1984

Gentlemen:

Cecon has sampled and tested the gas volumes from various wells in the Ambrose Field of Divide County, North Dakota. Our tests indicate 200 MCFD of 8.7 GPM of propane and heavier gas are currently being vented. Cecon will install a plant with compression facilities, gathering system, and residue return system to extract 75% of the propane, 90% of the butane, and 98% of the natural gasoline from such gas. The plant will be designed for a capacity of 400 MCFD.

The producer would receive 1/8 of the liquid products attributable to his production until 1.2 million gallons of liquids are recovered from the plant. Thereafter producer would receive 50% of the attributable liquids. All residue gas less that required for plant operation will be returned to the lease. Our estimated value of the liquids is 36¢/MCF before 1.2 million gallons are produced and \$1.42/MCF thereafter assuming a liquids price of 39¢/gallon.

We estimate ten weeks are required to purchase and install the equipment and pipelines. All equipment to be provided for the project will be new with the exception of the product storage tank. The plant will be constructed from quality equipment and designed in a very simple manner so that operational problems are minimized. The compression and processing equipment will be housed in an insulated and heated building for winter protection.

Please find enclosed two (2) copies of a gas processing agreement for the Ambrose Field. If you are in agreement, please sign and return the two (2) copies. We will return a fully executed copy for your files. If you have any questions in this regard, please feel free to contact Mr. Tom Brown or myself.

Yours truly,

A handwritten signature in dark ink, appearing to read "W. J. Boyer".

W. J. Boyer

WJB/sk

Enclosures.

July 18, 1984

NGL INDUSTRIES, INC.
6100 East 58th Avenue
Unit 'F'
Commerce City, CO 80022

Louisiana Land & Exploration Co.
1675 Broadway
Suite 2100
Denver, CO 80202

Attn: Mr. Jim Eckroth

Dear Mr. Eckroth:

We have enclosed a Gas Processing Agreement for the wells depicted in Exhibit A, located in Divide County, North Dakota.

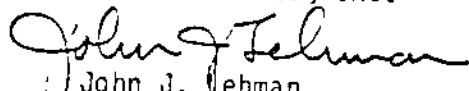
NGL has elected to pay Louisiana Land & Exploration Co. a percentage of the liquids as set out in 2B of the agreement. For each 100 MCF X*9.763 gal./MCF X 27 days X 1 machine X \$.46/gal. X 15% participation would amount to approximately \$1,453./mo. for the one machine to handle the wells volume. If the price per gallon increases, your monies increase.

We hope this Gas Processing Agreement is satisfactory to Louisiana Land & Exploration. If you have any questions, please call this office. NGL would appreciate your prompt attention in this matter so the work can be scheduled in the area.

Thank you for your cooperation in this matter.

Sincerely yours,

NGL INDUSTRIES, INC.


John J. Lehman
Vice President/Sales

JJL/s

Enclosures: 1) Gas Processing Agreement
2) Two 'Gas Processing Program' brochures

* Based upon total GPM reported by the lab on Louisiana Land & Exploration's St. Henning 32-14; this is only an example.

3253

LAW OFFICES OF
FLECK, MATHER, STRUTZ & MAYER, LTD.
NORWEST BANK BUILDING, SUITE 600
P. O. BOX 2798
BISMARCK, NORTH DAKOTA 58502

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July 31, 1984

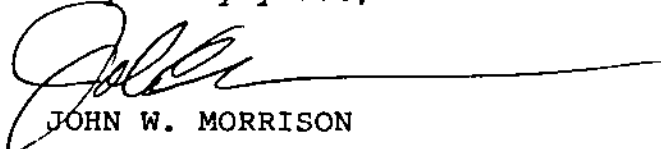
Ms. Karlene Fine
Secretary
ND INDUSTRIAL COMMISSION
Governor's Office
State Capitol
Bismarck, ND 58505

Dear Ms. Fine:

In re: Industrial Commission Application
Louisiana Land and Exploration Company
Divide County, North Dakota

Enclosed herewith is the original application covering the above-captioned matter. Due to the schedule of the expert witness, who will be testifying in this matter, we have requested that the matter be set for hearing on Wednesday, August 22, 1984. Your cooperation in this regard, if possible, would be appreciated.

Very truly yours,


JOHN W. MORRISON

bw
Enc.
cc:
Mr. Jack Wilborn
Oil & Gas Division
ND INDUSTRIAL COMMISSION
900 East Boulevard
Bismarck, ND 58505

Mr. Wes Norton
Oil & Gas Division
ND INDUSTRIAL COMMISSION
900 East Boulevard
Bismarck, ND 58505

Ms. Karlene Fine
July 31, 1984
Page 2

Mr. Jim Eckroth
LOUISIANA LAND AND
EXPLORATION COMPANY
1675 Broadway, Suite 2100
Denver, CO 80202

BEFORE THE INDUSTRIAL COMMISSION

STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION)
 OF LOUISIANA LAND AND EXPLORATION)
 COMPANY FOR AN ORDER OF THE)
 COMMISSION PERMITTING WELLS IN THE) APPLICATION
 AMBROSE-DUPEROW POOL, DIVIDE)
 COUNTY, NORTH DAKOTA, TO PRODUCE)
 OIL AT AN UNRESTRICTED RATE, AND)
 TO FLARE THE GAS PRODUCED)
 THEREWITH.)

COMES NOW the applicant, Louisiana Land and Exploration
 Company, and respectfully alleges:

1. That it is the owner and operator of wells producing
 from the Duperow Pool in the Ambrose Field located in Divide
 County, North Dakota.

2. That current orders of the Commission restrict produc-
 tion from wells in the pool to 100 barrels a day until such time
 as the wells are connected to a gas gathering or processing
 facility.

3. That due to the limited extent of the pool and the
 distance to the nearest gas pipeline, it is not economical to
 connect wells in the pool to a gas gathering or processing facili-
 ty.

4. That unrestricted production from the field with flaring
 of the gas producing association with oil will protect correlative
 rights, will not result in waste, and will not have a detrimental
 effect on the environment.

WHEREFORE, applicant respectfully requests that the matter be
 set for hearing on August 22, 1984, and that thereafter the

Commission enter its order granting the relief requested in such further relief as the Commission may deem appropriate.

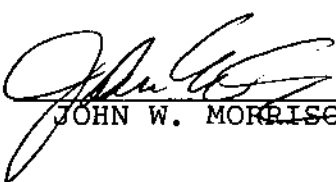
Dated this 31 day of July, 1984.

LOUISIANA LAND AND

EXPLORATION COMPANY


FLECK, MATHER, STRUTZ & MAYER, Ltd.
Attorneys for the Applicant
600 Norwest Building
P.O. Box 2798
Bismarck, North Dakota 58502

By

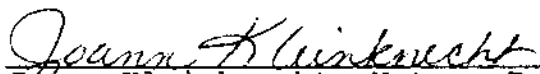

JOHN W. MORRISON

STATE OF NORTH DAKOTA)
)S
COUNTY OF BURLEIGH)

JOHN W. MORRISON, 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.


JOHN W. MORRISON

Subscribed and sworn to before me this 31 day of July, 1984.


Joann Kleinknecht, Notary Public
Burleigh County, North Dakota
My Commission Expires: 9/23/86

(S E A L)

State Industrial Commision sets hearing Aug. 21

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. M.D.T. on August 21, 1984, 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. 3253: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF THE LOUISIANA LAND & EXPLORATION COMPANY FOR AN ORDER PERMITTING WELLS IN THE AMROSE-DUPEROW POOL, DIVIDE COUNTY, NORTH DAKOTA, TO PRODUCE OIL AT AN UNRESTRICTED RATE, AND TO FLARE THE GAS PRODUCED THEREWITH.

Signed by,
Allen I. Olson, Governor
Chairman,
ND Industrial Commission
(August 8, 1984)

Affidavit of Publication

State of North Dakota, County of Divide, SS.

JOHN M. ANDRIST, of said County and State, being first duly sworn, on his oath says: That The Divide County Journal, a continuation of the Crosby Eagle, is a weekly newspaper of general circulation, printed and published in the city of Crosby, in said county and state, by John M. Andrist, Editor, and has been such newspaper during the times hereinafter mentioned; and that I, JOHN M. ANDRIST, the editor, during all such times have been the editor of said newspaper, and have personal knowledge of all the facts stated in this affidavit; and that the advertisement headed State Industrial Commission

sets hearing August 21

a printed copy of which is hereunto attached, was printed and published in said newspaper for a period of 1 consecutive weeks, towit:

August 8, 1984

PAID

John M. Andrist by *Norma Campbell, Sec.*
August 10, 1984

Subscribed and sworn to before me

Shirley Peterman
Notary Public, Divide County, N. D.

My Commission Expires

SHIRLEY PETERMAN
(Seal)
Clerk of District Court
Divide County, Crosby, N. Dak.