

BEFORE THE INDUSTRIAL COMMISSION  
OF THE STATE OF NORTH DAKOTA

CASE NO. 3946  
ORDER NO. 4492

IN THE MATTER OF A HEARING CALLED ON A  
MOTION OF THE COMMISSION TO CONSIDER THE  
APPLICATION OF UNION TEXAS PETROLEUM  
CORPORATION FOR AN ORDER TO PERMIT THE  
FLARING OF GAS PRODUCED FROM ITS KOCH #2-28  
WELL, LOCATED IN SECTION 28, T.162N., R.89W.,  
MINNESOTA FIELD, BURKE COUNTY, NORTH  
DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4  
NORTH DAKOTA CENTURY CODE.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m.  
on the 24th day of April, 1986, in Bismarck, North Dakota, before an examiner  
appointed by the Industrial Commission of North Dakota, hereinafter referred  
to as the "Commission."

NOW, on this 5th day of May, 1986, 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 Section 38-08-06.4 of the North Dakota Century Code states:

As permitted under rules of the industrial  
commission, gas produced with crude oil from  
an oil well may be flared during a one-year  
period from the date of first production from  
the well, or until June 30, 1986, for wells in  
production prior to July 1, 1985. Thereafter,  
flaring of gas from the well must cease and the  
well must either be capped or connected to a  
gas gathering line. For a well operated in  
violation of this section, the producer shall  
pay royalties to royalty owners and gross  
production tax imposed under section 57-51-02  
upon the value of the flared gas. The  
industrial commission shall enforce this section  
and, for each well operator found to be in  
violation of this section, shall determine the  
value of flared gas for purposes of payment of  
gross production tax and royalties under this  
section and its determination is final. A  
producer may obtain an exemption from this  
section from the industrial commission upon  
application and a showing that connection of  
the well to a natural gas gathering line is

economically infeasible at the time of the application or in the foreseeable future or that a market for the gas is not available.

(3) That applicant is the operator ("producer") of the following well in the Minnesota-Madison Pool, Burke County, North Dakota:

Koch #2-28, Section 28, T.162N., R89W.

(4) That the Minnesota-Madison Pool is an oil reservoir, but gas is produced in association with crude oil at the wellhead as a by-product of oil production.

(5) That by previous order of the Commission, said well is currently authorized to flare so that all owners of interests in the well described herein may receive the maximum benefits of the oil and gas production in such a manner that will prevent waste and protect correlative rights.

(6) That the well is currently not connected to a gas gathering facility and that all casinghead gas being produced by the well and not being used for lease operations is being flared.

(7) That the applicant has submitted evidence that under current market conditions the surplus casinghead gas presently being produced by the well and the estimated recoverable reserves from the well is insufficient to recoup the costs of installing and operating a gas gathering facility.

(8) That if the applicant's request in this matter is not granted, royalties and tax must be paid on the flared gas from the above described well, or flaring must cease and the well must be "capped", resulting in the loss of oil production and the loss of the benefits of that production by all owners of interest in the well and the State of North Dakota.

(9) That considering the amount of surplus gas being produced by the well and the amount of estimated recoverable reserves from the well, it is economically infeasible at this time, or in the foreseeable future, to connect the well to a gas gathering facility.

IT IS THEREFORE ORDERED:

(1) That the applicant is hereby allowed to flare surplus casinghead gas produced with crude oil from the Minnesota-Madison Pool through the well listed in (3) of the findings as an exception to the provisions of Section 38-08-06.4 of the North Dakota Century Code.

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

Dated this 5th day of May, 1986.

INDUSTRIAL COMMISSION  
STATE OF NORTH DAKOTA

/s/ George A. Sinner \_  
George A. Sinner, Governor

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Nicholas J. Spaeth, Attorney General

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

NORTH DAKOTA INDUSTRIAL COMMISSION

**OIL AND GAS DIVISION**

WESLEY D. NORTON  
Chief Enforcement Officer

F. E. WILBORN  
Deputy Enforcement Officer

CLARENCE G. CARLSON  
Geologist

CHARLES KOCH  
Engineering Dept.

DOREN DANNEWITZ  
Field Supervisor

KEN KALLESTAD  
Reclamation Sup.

June 16, 1986

Mr. Donald B. Wells  
Union Texas Petroleum Corporation  
14001 E. Iliff Ave.  
Ste. 500  
Aurora, Colorado 80014

Dear Mr. Wells:

All gas that is flared from wells in the following field(s) must be from flare stacks at least 10 feet in height:

Minnesota Field, Burke County, North Dakota  
Devils Pass Field, Billings County, North Dakota

All gas that is flared from wells in the following field(s) must be from flare stacks at least 20 feet in height:

Rough Rider Field, McKenzie County, North Dakota

In addition to the flare stack height required for wells in the aforementioned field(s), vents from each crude oil storage tank in the field must be tied into the flare system, or some other equally effective device to eliminate any direct venting of hydrogen sulfide to the atmosphere. Also, each flare system in the field must be equipped with an automatic ignitor, and/or a continuous burning pilot to ensure the flare is operational at all times.

If there are any questions regarding this matter, please do not hesitate to contact us.

Sincerely yours,

*F. E. Wilborn*  
F. E. Wilborn  
Deputy Enforcement Officer

FEW:lb  
cc: Doren Dannewitz  
Field Inspector  
Case File #3946 ✓  
Case File #3952 & 3953

NORTH DAKOTA STATE  
DEPARTMENT OF HEALTH COMMENTS  
CONCERNING  
NORTH DAKOTA INDUSTRIAL COMMISSION  
EXAMINER HEARING  
April 24, 19 86

Case No. 3946

Purpose: Flaring of gas

Company: Union Texas Petroleum Corporation

Field: Minnesota Formation: Madison

<u>Well(s)</u>	<u>Permit No.</u>	<u>Location</u>
Koch #2-28	8824	28-162-89

Comments:

Although the well was reported to flare only 3 mcfd, the gas does contain approximately 16% H<sub>2</sub>S. Therefore, a minimum flare stack height of 10 feet is necessary to ensure compliance with the North Dakota Ambient Air Quality Standards.

STATE OF NORTH DAKOTA  
 COUNTY OF BURLEIGH

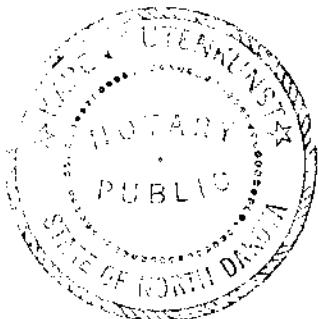
AFFIDAVIT OF  
 MAILING

I, Evie Reisenauer, being duly sworn upon oath, depose and say: That on the 20th day of May, 1986, I enclosed in separate envelopes true and correct copies of the attached Order No. 4492 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. 3946:

Donald B. Wells  
 14001 E. Iliff Ave.  
 Suite 500  
 Aurora, CO 80014

Evie Reisenauer  
 Evie Reisenauer  
 Oil & Gas Division

On this 23rd day of May, 1986, before me personally appeared Evie Reisenauer 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.



Karen Guterkunst  
 Notary Public  
 State of ND County of Burleigh  
 My Commission expires 5-13-88

WELL: Koch 2-28

FIELD: ~~Bowbells~~ Minnesota

POOL: Blueell

LEGAL LOCATION: Sec 28-162N-89W

COUNTY: Burke

GOR: 500:1

OIL: 6 BPD

GAS: 3 MCFPD

FLARED: 3 MCFPD

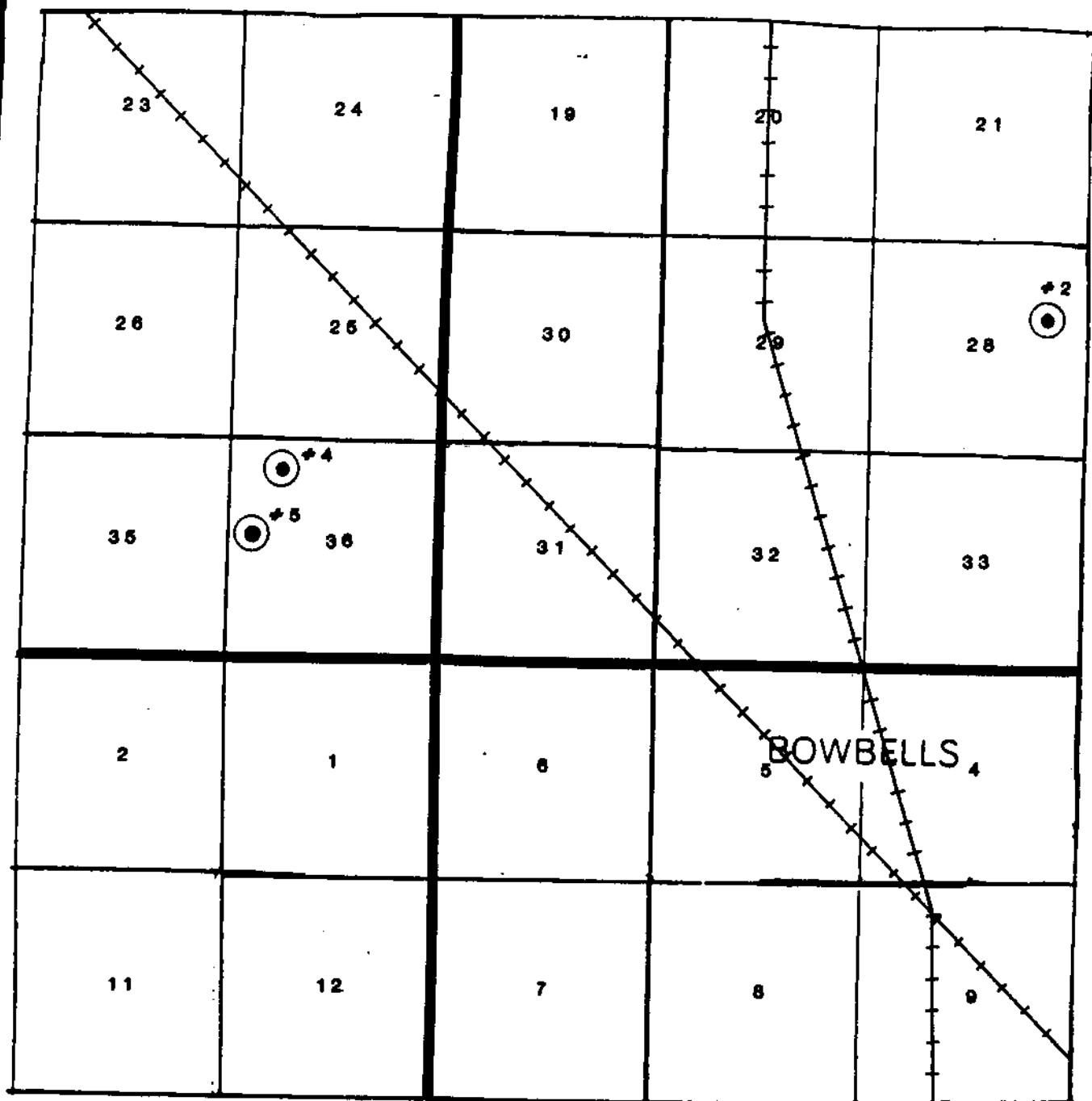
REMARKS: Cities Service pipeline is 10 miles west of  
Koch 2-28

CASE 3946

Exhibit 1

**R 90 W**

**R 89 W**



CITIES SERVICE PIPELINE IS 4 MILES WEST  
OF MATSON #4-36 & #5-36,  
AND IS 10 MILES WEST OF KOCH #2-28

**N**

**UNION TEXAS PETROLEUM CORPORATION**

Williston Basin  
**BOWBELLS AREA**  
Burke County, North Dakota

**MATSON #4-36 & #5-36**  
**KOCH #2-28**



*Exhibit 2*



# THURMOND-McGLOTHLIN, INC.

P. O. BOX 458

701-774-8817

WILLISTON, ND 58801

## FRACTIONAL ANALYSIS

COMPONENTS	MOL%	GPM
CARBON DIOXIDE	10.29	0.000
NITROGEN	1.92	0.000
METHANE	41.70	7.035
ETHANE	11.65	3.101
PROPANE	7.48	2.052
ISO-BUTANE	1.28	0.417
NORMAL-BUTANE	3.77	1.183
ISO-PENTANE	1.35	0.492
NORMAL-PENTANE	1.62	0.584
HEXANES +	2.69	1.198
HYDROGEN-SULPHIDE	16.25	0.000

DATE RUN

Apr 12, 1986

COMPANY:

UNION TEXAS PETROLEUM

LEASE:

KOCH #2-28

SAMPLE OF:

NW NE SEC 28 T162N R89

PRESSURE:

4 PSI

TEMPERATURE:

65? F

CYL NO:

TM-5066

ANALYSIS BY:

STEVEN HENDERSON

SECURED BY:

TM-SGH

DATE:

04-12-86



>>>> GAS TESTING <<<<

>>>> MEASUREMENT <<<<

ASOLINE CONTENT @ 14.730 PSIA & 60 F

	GPM
PENTANE & HEAVIER	2.274
BUTANE & HEAVIER	3.874
PROPANE & HEAVIER	5.926

REMARKS  
H2S WAS DETERMINED  
ON SITE WITH TUTWEILER

TU 14.73 PSIA & 60 F  
DRY 1353  
WET 1329

RESULTS TO  
UNION TEXAS PETROLEUM  
GLEN DIVE MT  
DENVER CO  
MIDLAND TX

SPECIFIC GRAVITY  
1.101 CALCULATED  
1.070 MEASURED

BASED ON GPA 2145 & 2172

Exhibit 3

BEFORE THE INDUSTRIAL COMMISSION

#3946

OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION )  
OF THE UNION TEXAS PETROLEUM COR- )  
PORATION, FOR AN ORDER OF THE )  
COMMISSION EXEMPTING THE KOCH 2-28 )  
WELL, LOCATED IN SECTION 28, )  
TOWNSHIP 162 NORTH, RANGE 89 WEST, )  
BURKE COUNTY, NORTH DAKOTA, FROM )  
THE PROVISIONS OF SECTION )  
38-08-06.4 OF THE NORTH DAKOTA )  
CENTURY CODE, RELATING TO THE )  
FLARING OF GAS PRODUCED IN ASSOCIA- )  
TION WITH CRUDE OIL. )

APPLICATION

COMES NOW the applicant, Union Texas Petroleum Corporation,  
and respectfully alleges as follows:

1. That it is the operator of the Koch 2-28 well located in  
Section 28, Township 162 North, Range 89 West, Burke County, North  
Dakota.

2. That gas is produced in association with crude oil from  
the well.

3. That due to the volumes of gas produced and the location  
of existing gas lines, connection of the well to a natural gas  
gathering line is economically infeasible at the present time and  
in the foreseeable future. Further, that a market for the gas is  
not available.

4. That applicant is desirous that the Commission enter its  
order granting an exemption from the provisions of § 38-08-06.4 of  
the North Dakota Century Code, relating to the flaring of gas.

WHEREFORE, the applicant respectfully requests that this  
matter be set for hearing and that thereafter the Commission enter  
its order granting the relief requested.

Dated this 31st day of March, 1986.

UNION TEXAS PETROLEUM CORPORATION

FLECK, MATHER, STRUTZ & MAYER, LTD.  
Attorneys for the Applicant  
400 East Broadway, Suite 600  
P.O. Box 2798  
Bismarck, ND 58502

BY   
JOHN W. MORRISON


STATE OF NORTH DAKOTA )  
                                  ) ss.  
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 31st day of March, 1986.

( S E A L )

  
Beth Ann Wald, Notary Public  
Burleigh County, North Dakota  
My Commission Expires: 11/28/90

BETH ANN WALD  
Notary Public Burleigh Co., ND  
My commission expires Nov. 28, 1990

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

Notice 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 1 successive weeks, to-wit:

49 1986 19 19

19 19 19

Subscribed and sworn to before me this 17<sup>th</sup>  
day of April 1986

Kristi M. Bohl  
Notary Public in and for  
Burke County, North Dakota

Fee \$ 15.28

KRISTI M. BOHL  
Notary Public, BURKE COUNTY, N. DAK.  
My Commission Expires OCT. 24, 1989

1st time 47 lines at 325 per line - 1528

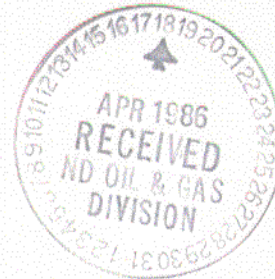
2nd time \_\_\_\_\_ lines at \_\_\_\_\_ per line \_\_\_\_\_

3rd time \_\_\_\_\_ lines at \_\_\_\_\_ per line \_\_\_\_\_

1st time \_\_\_\_\_ column inches at \_\_\_\_\_ per inch \_\_\_\_\_

2nd time \_\_\_\_\_ column inches at \_\_\_\_\_ per inch \_\_\_\_\_

Total 1528



PAID

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 24, 1986, Dakota Room, State Capitol Building, 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. 3946: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF UNION TEXAS PETROLEUM CORPORATION FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM ITS KOCH #2-28 WELL, LOCATED IN SECTION 28, T.162N., R.89W., MINNESOTA FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE NO. 3947: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF UNION TEXAS PETROLEUM CORPORATION FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM CERTAIN OIL WELLS LOCATED IN THE BLUELL FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE.

Signed by,  
George A. Sinner, Governor  
Chairman, ND Industrial Comm.  
April 9, 1986