BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 4017 ORDER NO. 4573

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 FLARING OF GAS PRODUCED FROM ITS DEWING #1 WELL, LOCATED IN SECTION 12, T.163N., R.93W., SHORT CREEK 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 8:00 a.m. on the 28th day of May, 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 9th day of June, 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 owner or operator ("producer") of the following well in the Short Creek-Madison Pool, Burke County, North Dakota:

Dewing #1, Section 12, T.163N., R.93W.

- (4) That the Short Creek-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 are 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 Short Creek-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.

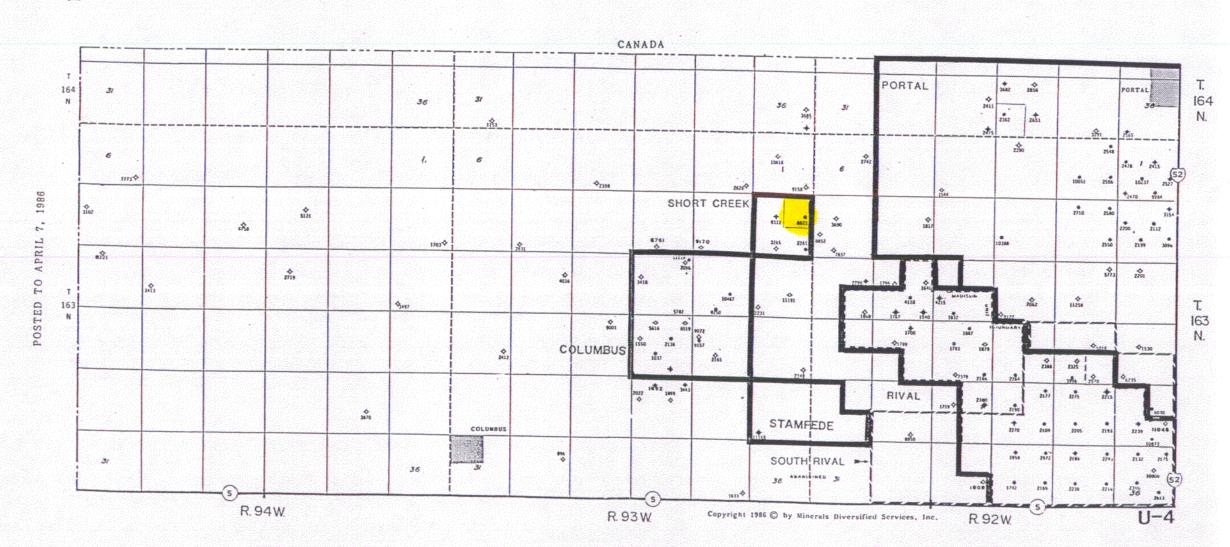
Dated this 9th day of June, 1986.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

/s/ George A. Sinner _ George A. Sinner, Governor Nicholas J. Spaeth, Attorney General

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

STATE OF NORTH DAKOTA COUNTY OF BURLEIGH	}	AFFIDAVIT OF MAILING
the <u>18th</u> day of separate envelopes true	peing duly sworn upon oath, depose of, 19_86 of, 19_86 and correct copies of the at the Dakota Industrial Commission, tes Postal Service in Bismarck, No. d, directed to the following per the Industrial Commission in Case	, I enclosed in tached Order No. and deposited the lorth Dakota, with sons, all of whom
Broschat Engineering & Mgt Richard E. Broschat P.O. Box 399 Williston, ND 58802	. Services	
	Evie Reisenau	ع
	Oil & Gas Division	
	day of fine, 19 <u>%</u> , be to me known ted the foregoing instrument and his/her free act and deed.	efore me personally wn as the person acknowledged that
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NOTARY	THE COMMITS TON EXPITES	00



MAR-WIN DEVELOPMENT CO.

Short Creek Field

WELL	CURRENT	PROD-BPD	ESTIMATED GAS	EST. REMAINING
	OIL	WATER	FLARED - MCFD	LIFE YEARS
Dewing No.1	3	4	1	1

CASE NO. 4017
EXHIBIT No.2

AFFIDAVIT OF PUBLICATION * (H) 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. State, and that she 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:

Subcribed and sworn to before me this

Notary Public in and for Burke County, North Dakota

KRAST ME BOHL

Notary Public BURKET COUNTY, N. DAK. My Commission Expres OCT, 24, 1989

1st time // 6 lines at 325 per line-2nd time _____ lines at _____ per line

lines at per line 3rd time

__column inches at ___ 1st time ____perinch

___ column inches at ____ ___perinch 2nd time___

Total 37.70

PETERSON 20 #1 WELL, LOCATED IN SECTION 20, T.161N., R.90W., COTEAU FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE NO. 4069: 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 BOWBELLS 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. May 14, 1986

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 8:00 a.m. on May 28, 1986, Harvest 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. 4017: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF MAR-WIN DEVELOPMENT COMPANY FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM ITS DEWING #1 WELL, LOCATED IN SECTION 12, T.163N., R.93W., SHORT CREEK FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE
NO. 4018: ON A MOTION OF THE
COMMISSION TO CONSIDER THE
APPLICATION OF MAR-WIN
DEVELOPMENT COMPANY FOR AN
ORDER TO PERMITTHE FLARING OF
GAS. PRODUCED FROM ITS GAS PRODUCED FROM ITS
RUPPERT #1 WELL, LOCATED IN
SECTION 34, T.164N., R.92W.,
PORTAL FIELD, BURKE COUNTY, POHTAL FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE NO. 4022: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF NORTHERN PUMP COMPANY. FOR AN ORDER TO COMPANY FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM ITS HINDS #1
WELL, LOCATED IN SECTION 6,
T.161N., R.90W., NORTHEAST
FOOTHILLS FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE NO. 4026: ON A MOTION OF THE COMMISSION TO CONSIDDER THE APPLICATION OF ITR PETROLEUM, INC. FOR AN ORDER TO PERMIT THE INC. FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM ITS BRATSBERG #23-2 WELL, LOCATED IN SECTION 2, T.163N., R.92W. PORTAL FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06-4 NORTH DAKOTA CENTURY CODE CASE NO. 40324032: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF RANGER OIL COMPANY FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM CERTAIN OIL WELLS LOCATED IN THE BATTLEVIEW FIELD, BURKE COUNTY, NORTH DAKTOA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE NO. 4053: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TXP OPERATING COMPANY FOR AN ORDER TO PERMIT THE FLARING OF GAS PRODUCED FROM CERTAIN OIL WELLS LOCATED IN THE FLAXTON FIELD, BURKE COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO SECTION 38-08-06.4 NORTH DAKOTA CENTURY CODE. CASE NO. 4065: ON A MOTION OF THE COMMISSION TO

CONSIDER THE APPLICATION OF CONOCO INC. FOR AN ORDER TO

33087

BISMARCK TRIBUNE COMPANY

CLASSIFIED INVOICE

ACCOUNTING DEPT. 707 EAST FRONT, P.O. BOX 1498 BISMARCK, NORTH DAKOTA 58502-1498 701-223-2500

NO INDUSTRIAL COMMISSION

CAPITOL BLDG BISMARCK

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	PAYMENT TERMS: All accounts become due the 10th of the month				AMOUNT		188-34

following publication and become delinquent on the 20th.

NOTICE OF PUBLICATION
NORTH DAKOTA INDUSTRIAL
COMMISSION
BISMARCK, NORTH DAKOTA
The State of North Dakota by 181 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 8:00 a.m.
on May 28, 1986, Harvest 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. 4017:
on a motion of the Commission to consider the
application of Mar-Win Development Company
for an order to permit the flaring of gas
produced from its Dewing No. 1 Well, located
in Section 12, T.163N., R.93W. Short Creek
Field, Burke County, North Dakota, as an
exception to Section 38-8-6.4 North Dakota
Century Code. Case No. 4018: on a motion of
the Commission to consider the application of
Mar-Win Development Company for an order
to permit the flaring of gas produced from its
Ruppert No. 1 Well, located in Section 34,
T.164N., R.92W., Portal Field, Burke County,
North Dakota, as an exception to Section 38-06.
Morth Dakota Century Code. Case No.
Molth on a motion of the Commission to
consider the application of Mar-Win Development
Company for an order to permit the
flaring of gas produced from certain oil wells
ment of the Commission to
consider the application of Mar-Win Development Company for an order to permit the
flaring of gas produced from certain oil wells North Dakofa, as an exception to Section 38-08
68.4 North Dakota Century Code. Case Mo
60.19: on a motion of the Commission to consider the application of Mar-Win Development Company for an order to permit the flaring of gas produced from certain oil wells tocated in the Glass Bluff Field, McKenzie County, North Dakota, as an exception to Section 38-08-06.4 North Dakota Century Code. Case No. 4020: on a motion of the Commission to consider the application of Galaxy Oil Company for an order to permit the flaring of gas produced from its Kerbaugh-State No. 1-32 Well, located in Section 32, T.156N., R.96W. Dollar Joe Field, Williams County, North Dakota, as an exception to Section 38-08-06.4 North Dakota, as an exception of Galaxy Cill Shown No. 1-8 Well, located in Section 38-08-06.4 North Dakota, as an exception to Section 38-08-06.4 North Dakota, as an exception to Section 38-08-06.4 North Dakota, as an exception to Section 38-08-06.4 North Dakota Century Code. Case No. 4022: on a motion of the Commission to consider the application of Northern Pump Company for an order to permit the flaring of gas produced from its Hinds No. 1 Well, located in Section 38-08-08-4 North Dakota Century Code. Case No. 4022: on a motion of the Commission to consider the application of Bolyard Oil 8, Gas, Ltd. Ion an order to permit the flaring of gas produced from its Haring of gas produced from the Raring of gas produced from its Housen No. 1-19 Well, located in Section 38-08-08-4 North Dakota, as an exception to Section 38-08-08-4 North Dakota, as an exception to Fortion of the Commission to consider the application of the Commission to consider the application of the Commission to consider the application of the Commission to cons

sertain oil Wells located in the Camel Butte Field, McKenzie County, North Dakota, as an exception to Section 39-08-064. North Dakota Century Code. Case No. 4029: on a motion of the Commission to consider the application of ITR Petroleum, Inc., for an order to permit the lairing of gas produced from certain oil wells located in the Tioga Field, Williams County, North Dakota, as an exception to Section 38-06-06.4. North Dakota Century Code. Case No. 4030: on a motion of the Commission to consider the application of Ranger Oil Company of or an order to permit the lairing of gas produced from certain oil wells located in the Dakota, as an exception to Section 28-08-06.4. North Dakota Century Code. Case No. 4031: on a motion of the Commission to consider the application of Ranger Oil Company for an order to permit the flaring of gas produced from certain oil wells located in the Pleasant Valley Field, Mountrail County, North Dakota, as an exception to Section 38-08-06.4. North Dakota Century Code. Case No. 4032: on a motion of the Commission to consider the application of Ranger Oil Company for an order to permit the flaring of gas produced from certain oil wells located in the Pleasant Valley Field, Mountrail County, North Dakota, as an exception to Section 38-08-06.4. North Dakota Century Code. Case No. 4032: on a morder to permit the flaring of gas produced from certain oil wells located in the Battleview Field, Burke County, North Dakota, as an exception of Section 38-08-06.4. North Dakota Century Code. Case No. 4034: on a motion of the Commission to consider the application of Ranger Oil Company for an order to permit the flaring of gas produced from its Toffness No. 9 well. located in Section 38-08-06.4. North Dakota Century Code. Case No. 4034: on a motion of the Commission to consider the application of Mobil Oil Corporation as agent for the Superior Oil Company for an order to permit the flaring of gas produced from its Chilwood No. 32-7 well, located in Section 38-08-06.4. North Dakota Century Code. Case

application of Kerr-McGee Corporation for an order to permit the flaring of gas produced from its U.C.L.1. "A" No. 1 Well, located in Section 31, 71,46N., R.53W., South Antier Creek Field, Bottineau County, North Dakota, as an exception to Section 38-08-06.4 North Dakota, as an exception to Section 38-08-06.4 North Dakota Century Code. Case No. 404: on a motion of the Commission to consider the application of Universal Resources Corporation for an order to permit the flaring of gas produced from certail oil wells located in the Charlson Field. McKenzie County, North Dakota, as an exception to Section 38-08-06.4 North Dakota Century Code. Case No. 4045: on a motion of the Commission to consider the application of Universal Resources Corporation for an order to permit the flaring of gas produced from certain oil wells located in the Keen Field, McKenzie County, North Dakota, as an exception to Section 38-08-06.4 North Dakota Century Code. Case No. 4046: on a motion of the Commission to consider the application of Universal Resources Corporation for an order to permit the flaring of gas produced from certain oil wells located in the Good Luck Field, Williams County, North Dakota, as an exception to Section 38-08-06.4 North Dakota as an exception to Section 38-08-06.4 North Dakota, as an exception to Section 38-08-06.4 North Dakota Century Code. Case No. 4049: on a motion of the Commission to consider the application of Pennzoil Company for an order to permit the flaring of gas produced from its Century Code. Case No. 4049: on a motion of the Commission to consider the application of Pennzoil Company for an

orth Dakora Signed by, George A. Sinner, Governor Geoerge A. Sinner, Governor Chairman, ND Industrial Commission 5/15 — 47583