

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 7167
ORDER NO. 8365

IN THE MATTER OF A HEARING
CALLED ON A MOTION OF THE
COMMISSION TO CONSIDER THE
APPLICATION OF ARMSTRONG
RESOURCES, L.L.C. FOR AN ORDER
EXTENDING THE FIELD LIMITS OF THE
AMBROSE FIELD TO INCLUDE ALL OF
SECTION 16, T.163N., R.99W., DIVIDE
COUNTY, NORTH DAKOTA, AND
ESTABLISH A SPACING UNIT FOR THE
AMBROSE-DUPEROW POOL CONSISTING
OF ALL OF SAID SECTION 16, AND
ALLOWING A HORIZONTAL WELL TO BE
DRILLED AT ANY LOCATION THEREON
NOT CLOSER THAN 500 FEET TO THE
BOUNDARY OF SAID SECTION 16, OR
FOR SUCH OTHER AND FURTHER
RELIEF AS THE COMMISSION DEEMS
APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

(1) This cause came on for hearing at 9:00 a.m. on the 21st day of October, 1998.

(2) Order No. 3215 entered in Case No. 2856, established proper spacing for the development of the Ambrose-Duperow Pool at one well per 160 acres.

(3) Armstrong Resources, L.L.C. (Armstrong) made application to the Commission for an order extending the limits of the Ambrose Field to include all of Section 16, Township 163 North, Range 99 West, Divide County, North Dakota (Section 16), to establish a spacing unit for the Ambrose-Duperow Pool consisting of all of Section 16, and allowing a horizontal well to be drilled at any location thereon, not closer than 500 feet to the boundary of the section, or for such other and further relief as the Commission deems appropriate.

(4) Armstrong desires to utilize technology to drill horizontally through the Duperow Pool. Utilization of this technology may result in the well being completed at a location or locations not in compliance with current applicable spacing orders for the Ambrose-Duperow Pool.

(5) Flexibility with respect to spacing unit size and the location of wells in the Ambrose-Duperow Pool is essential to efficiently produce as much recoverable oil and gas as economically possible.

(6) Pursuant to North Dakota Century Code Section 38-08-07, spacing units must be of uniform size and shape for the entire pool, except when

found necessary to prevent waste, avoid the drilling of unnecessary wells, or to protect correlative rights, the Commission is authorized to divide any pool into zones and establish spacing units for each zone, which units may differ in size and shape from those established in any other zone.

(7) Zones of different spacing within the Ambrose-Duperow Pool will allow the flexibility needed for utilization of horizontal drilling.

(8) Granting maximum flexibility in spacing unit size and in locating and drilling horizontal wells will result in economic and efficient development of the oil and gas resources in a manner that prevents waste and protects correlative rights.

(9) There were no objections to this application.

(10) Approval of this application will prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights.

IT IS THEREFORE ORDERED:

(1) Section 16, Township 163 North, Range 99 West, Divide County, North Dakota, is hereby established as a 640-acre spacing unit for the Ambrose-Duperow Pool and Zone II of such pool is hereby created.

(2) Armstrong Resources, L.L.C., its successor and assigns, is hereby given exclusive authority to apply for a permit to drill a horizontal well upon said spacing unit created in paragraph (1) above. Such exclusive authority shall terminate on February 4, 1999.

(3) The Commission shall have continuing jurisdiction in this matter and specifically reserves the authority, upon its own motion or the motion of any interested party, to determine whether a horizontal well proposed or drilled upon the 640-acre spacing unit herein established, has justified the creation of such unit.

(4) The Ambrose Field is hereby redefined as the following described tracts of land in Divide County, North Dakota:

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 13, 14, 15, 16, 22, 23 AND 24,

together with those additional quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands within one mile of 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.

(5) The Ambrose-Duperow Pool is hereby redefined as the following described tracts of land in Divide County, North Dakota:

ZONE I

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 13, 14, 15, 22, 23 AND 24,

together with those additional quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands within one mile of 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.

ZONE II

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTION 16.

(6) The Ambrose-Duperow Pool be, and the same is hereby redefined as that accumulation of oil and gas found in the interval from below the base of the Birdbear Formation to above the top of the Souris River Formation within the limits of the field as set forth above.

(7) The proper spacing for the Ambrose-Duperow Pool in Zone I shall be one well per 160 acres and spacing units shall consist of a governmental quarter section or governmental lots corresponding thereto.

(8) All wells hereafter drilled in the Ambrose-Duperow Pool in Zone I shall be located not less than 500 feet from a spacing unit boundary nor closer than 1650 feet to a well permitted to or producing from the pool.

(9) The proper spacing for the development of the Ambrose-Duperow Pool in Zone II is hereby set at one horizontal well to each 640 acres. Spacing units shall consist of a governmental section.

(10) Zone II shall not be extended except by further order of the Commission after notice and hearing.

(11) All portions of the well bore not isolated by cement of any horizontal well hereafter drilled in Zone II shall be no closer than 500 feet to the boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment shall be considered when determining compliance with the 500-foot setback.

(12) No well shall be hereafter drilled or produced in the Ambrose-Duperow Pool, as defined herein, except in conformity with the regulations above without special order of the Commission after due notice and hearing.

(13) The operator of any horizontally drilled well in the Ambrose-Duperow Pool shall cause to be made a directional survey of the well bore. The survey shall be filed with the Commission within 30 days after completion of the well and shall be of sufficient quality to enable the Commission to determine the entire completion location of the well and its terminus.

(14) The Commission shall have continuing jurisdiction in this matter and specifically reserves the authority, upon its own motion or the motion of any interested party, to: (1) review the spacing requirements for the Ambrose-Duperow Pool; (2) determine whether the separate zones of spacing established herein are warranted; and, (3) make such further amendments or modifications to the spacing requirements for the Ambrose-Duperow Pool as the Commission deems appropriate.

(15) The following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the Ambrose-Duperow 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 the Fox Hills Formation.

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. The quality of cement shall conform to the standards provided under North Dakota Administrative Code (NDAC) Section 43-02-03-21;

- (b) The producing or oil string shall consist of new or reconditioned pipe that has been previously tested to 2000 pounds per square inch. Casing shall be set and cemented at a point not higher than the top of the producing formation, or at a point approved by the Director. 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 15 hours before drilling the plug or initiating tests. The quality of cement shall conform to the standards provided under NDAC Section 43-02-03-21. 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 has 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; and,
- (d) All wells shall be equipped with tubing and all flowing wells shall be equipped with tubing and tubing packer; 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.

(16) The gas-oil ratio of each well shall be measured during the months of May and November, 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 Director 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 6340 feet after the well has been shut in for 48 hours. All gas-oil ratio and reservoir pressure determinations shall be made by methods approved by the Director. The Director is authorized to waive these requirements if the necessity therefore can be demonstrated to his satisfaction.

(17) No salt water shall be stored in pits in this field, except in an emergency, and approved by the Director.

(18) In accordance with Commission Order No. 3215, the Dakota-Lakota Series in and under the Ambrose Field is hereby designated Field is hereby designated a disposal reservoir, and the Director is authorized to approve requests to utilize wells in the field, as herein defined, for saltwater disposal purposes.

(19) All wells in the Ambrose-Duperow 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.

(20) If the flaring of gas produced with crude oil from the Ambrose-Duperow Pool causes, or threatens to cause, degradation of ambient air quality, production from the pool shall be further restricted.

(21) This order shall cover all of the Ambrose-Duperow 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 4th day of November, 1998.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

/s/ Edward T. Schafer, Governor

/s/ Heidi Heitkamp, Attorney General

/s/ Roger Johnson, Commissioner of Agriculture

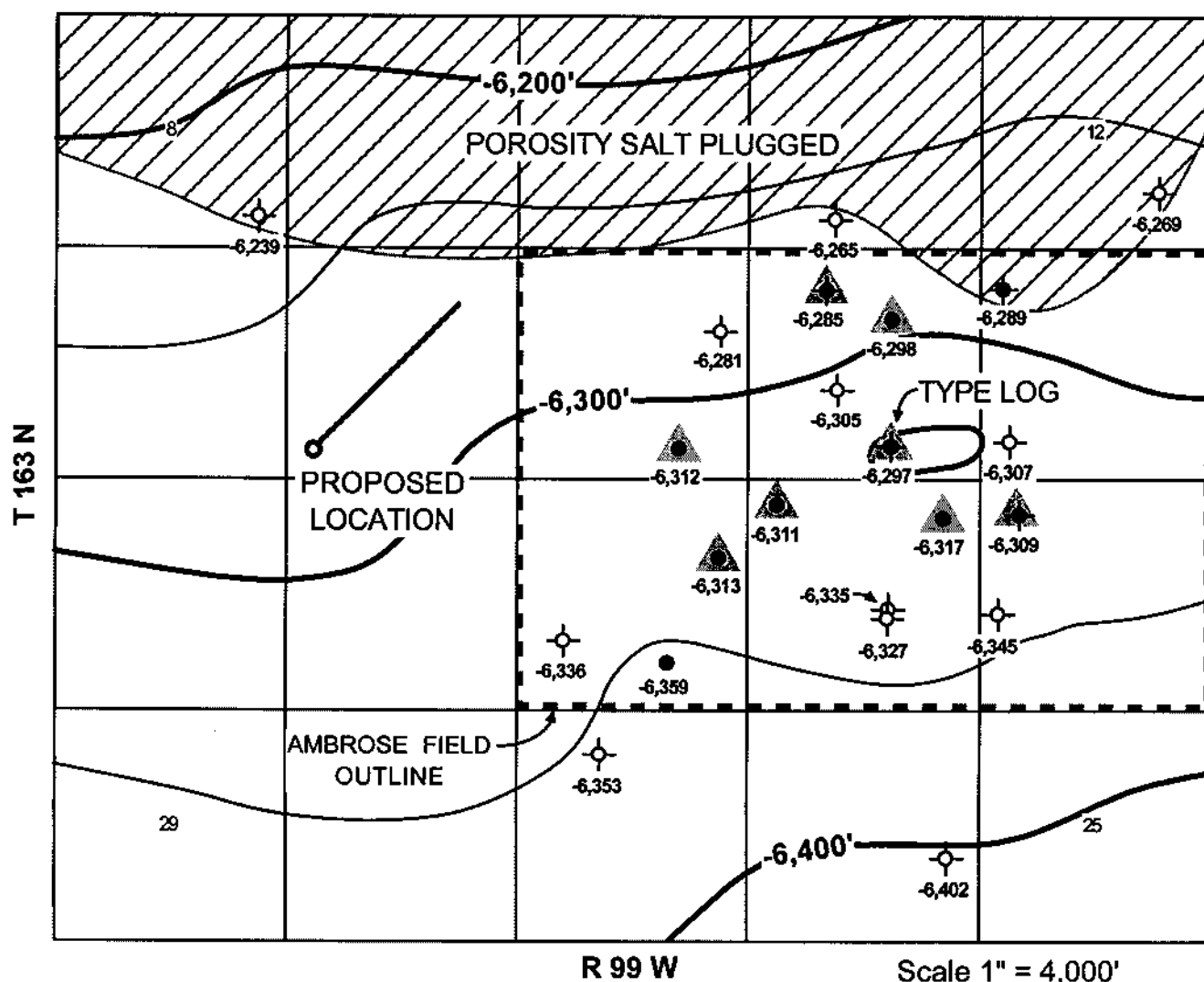
**ARMSTRONG RESOURCES, LLC
CASE #7167**

OCTOBER 21, 1998

Armstrong WI - 100% ROY.INT.- 16.67%	Armstrong WI - 100% ROY.INT.- 15.47%
16	
	Armstrong WI - 100% ROY.INT.- 15.47%

DIVIDE COUNTY, NORTH DAKOTA

Township 163 North, Range 99 West



▲
Duperow "D-3" Zone
Producer

ARMSTRONG RESOURCES, LLC.

AMBROSE FIELD
Divide County, North Dakota

STRUCTURE MAP
TOP OF DUPEROW "D-3" ZONE
DEVONIAN
C.I. = 50'

CASE 7167 EXHIBIT 2

[illegible]

recovery
651' O&GCM
490' GCM
spl chamber
2300 cc Oil

IPF 81 BOPD + 70 MCFGPD + 7 BWPD

CASE 7167 EXHIBIT 3

RESERVES AND ECONOMICS

Volumetric OOIP Per Acre Estimate

$$\text{OOIP} = \frac{7758 \times \phi \times H \times 1 - S_w}{B_o}$$

Where:

ϕ = Porosity (11%)

H = Net Pay (5')

S_w = Water Saturation (20%)

B_o = Formation Volume Factor (1.3 RBO/STBO)

$$\text{OOIP} = 2626 \text{ STBO/Acre}$$

Recovery Factor for 160 acre vertical well with average reserves of 108,000 BO:

$$\frac{108,000 \text{ BO}}{160 \text{ acres} \times 2626 \text{ BO/acre}} = .257 \text{ (25.7\%)}$$

A horizontal wellbore with a lateral section a minimum of 4500' in length is calculated to drain 468 acres, (an optimum lateral of 6,000' would drain 570 acres), therefore:

$$\begin{aligned} \text{Horizontal Reserves} &= 468 \text{ acres} \times .257 \times 2626 \text{ BO/acre} \\ &= 315,845 \text{ STBO} \end{aligned}$$

Horizontal Vs. Vertical Well Economics

	<u>160 ac. Vertical Well</u>	<u>640 ac. Horizontal Well</u>
Well Cost	\$525,000	\$975,000
Initial Rate	80 BOPD	315 BOPD
Reserves	108,000	316,000
Oil Price (3% escalation)	\$11.00	\$11.00
Payout	7 years 9 months	2 years
Rate of Return	N/A	22%
Return on Investment	0.8 to 1	2 to 1
Present Value Profit @10% D.R.	\$(212,011)	\$305,935

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA



IN THE MATTER OF ARMSTRONG
RESOURCES, L.L.C., FOR AN ORDER OF
THE COMMISSION EXTENDING THE
FIELD LIMITS OF THE AMBROSE FIELD
TO INCLUDE ALL OF SECTION 16,
TOWNSHIP 163 NORTH, RANGE 99 WEST,
DIVIDE COUNTY, NORTH DAKOTA, AND
ESTABLISH A SPACING UNIT FOR THE
AMBROSE-DUPEROW POOL CONSISTING
OF ALL OF SAID SECTION 16, AND
ALLOWING A HORIZONTAL WELL TO BE
DRILLED AT ANY LOCATION THEREON
NOT CLOSER THAN 500 FEET TO THE
BOUNDARY OF SAID SECTION 16, OR
FOR SUCH OTHER AND FURTHER RELIEF
AS THE COMMISSION DEEMS
APPROPRIATE.

APPLICATION

COMES NOW the applicant, Armstrong Resources, L.L.C., and respectfully alleges as follows:

1. It is the owner of an interest in the oil and gas leasehold estate underlying Section 16, Township 163 North, Range 99 West, Divide County, North Dakota.

2. Said lands lie adjacent to the boundaries of the Ambrose Field. Within said field, spacing for the Duperow formation has been established on the basis of one well per 160 acres.

3. In applicant's opinion, the same Duperow source of supply currently producing within the Ambrose-Duperow pool is likely to be productive of hydrocarbons within said Section 16.

4. Applicant intends to develop the Duperow pool underlying Section 16 through the use of a horizontal drilling technique. In order to successfully use such technique, it is necessary to establish a larger spacing unit in order to maximize the length and orientation of the horizontal wellbore. In applicant's opinion, establishment of a 640-acre spacing unit would provide the necessary flexibility.

5. Applicant therefore requests that the Commission expand the Ambrose field to include all of Section 16, Township 163 North, Range 99 West, and further that the Commission establish a zone of 640-acre spacing for the Ambrose-Duperow pool consisting of all of said

1 Section 16, and allowing a horizontal well to be drilled at any location thereon not closer than
2 500 feet to the boundary of the section. In applicant's opinion, such will protect correlative
3 rights, prevent waste, prevent the drilling of unnecessary wells, and result in the greatest ultimate
4 recovery of oil and gas.

5 WHEREFORE, applicant respectfully requests that this matter be set for hearing at the
6 regularly scheduled hearings in October, 1998, and that thereafter the Commission enter its order
7 granting the relief requested.

8 Dated this 21st day of September, 1998.

9 ARMSTRONG RESOURCES, L.L.C.

10 FLECK, MATHER & STRUTZ, LTD.
11 Attorneys for the Applicant
12 Suite 600, 400 East Broadway
13 P.O. Box 2798
14 Bismarck, ND 58502

15 By: _____

16 JOHN W. MORRISON

17 STATE OF NORTH DAKOTA)

18 COUNTY OF BURLEIGH) ss.

19 John W. Morrison, being first duly sworn on oath, deposes and says that he is the attorney
20 for the applicant herein named, that he has read the above and foregoing application, knows the
21 contents thereof, and that the same is true to the best of this affiant's knowledge, information and
22 belief.

23 _____
24 JOHN W. MORRISON

25 Subscribed and sworn to before me this 21st day of September, 1998.

26 (SEAL)

27 _____
28 Becky Zahn, Notary Public
Burleigh County, North Dakota
My Commission Expires: 04/19/01

STATE OF NORTH DAKOTA)
)
COUNTY OF BURLEIGH)
)

AFFIDAVIT OF MAILING

I, Donna Bauer, being duly sworn upon oath, depose and say: That on the 10th day of November 1998, enclosed in separate envelopes true and correct copies of the attached Order No. 8365 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 by the Industrial Commission in Case No. 7167 :


John Morrison
Fleck, Mather & Strutz Ltd.
P. O. Box 2798
Bismarck, ND 58502

Lawrence Bender
Pearce & Durick
P. O. Box 400
Bismarck, ND 58502

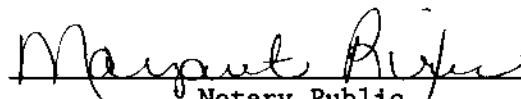
Dean Brooks
6879 E. Costilla Cr.
Englewood, CO 80112

Jesse Sommer
Armstrong Resources
518 17th St.
Suite 1650
Denver, CO 80202

Mark Fligingen
Armstrong Resources
P. O. Box 597
Bismarck, ND 58502


Donna Bauer
Oil & Gas Division

On this 10th day of November 1998, before me personally appeared Donna Bauer to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.


Notary Public
State of North Dakota County of Burleigh
My Commission expires 9-21-99

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 October 21, 1998 in the Pioneer Room, State Capitol, 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.

ATTENTION PERSONS WITH DISABILITIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by October 7, 1998.

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. 7145: (CONTINUED)** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF LYCO OPERATING COMPANY FOR AN ORDER ESTABLISHING 320-ACRE TEMPORARY SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL IN THE INTERLAKE FORMATION UNDERLYING THE SE/4 OF SECTION 24, AND THE NE/4 OF SECTION 25, T.161N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, DISCOVERED BY APPLICANT'S #25-2 PLUMER-LUNDQUIST WELL, AND ENACTING SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY AND/OR ADVISABLE.

CASE NO. 7145: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF ARMSTRONG RESOURCES, L.L.C. FOR AN ORDER EXTENDING THE FIELD LIMITS OF THE AMBROSE FIELD TO INCLUDE ALL OF SECTION 16, T.163N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, AND ESTABLISH A SPACING UNIT FOR THE AMBROSE-DUPEROW POOL CONSISTING OF ALL OF SAID SECTION 16, AND ALLOWING A HORIZONTAL WELL TO BE DRILLED AT ANY LOCATION THEREON NOT CLOSER THAN 500 FEET TO THE BOUNDARY OF SAID SECTION 16, OR FOR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7168:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF ARMSTRONG RESOURCES, L.L.C. FOR AN ORDER EXTENDING THE FIELD LIMITS OF THE WEST AMBROSE FIELD TO INCLUDE ALL OF SECTION 23, T.163N., R.100W., DIVIDE COUNTY, NORTH DAKOTA, AND ESTABLISH A SPACING UNIT FOR THE WEST AMBROSE-DUPEROW POOL CONSISTING OF ALL OF SAID SECTION 23, AND ALLOWING A HORIZONTAL WELL TO BE DRILLED AT ANY LOCATION THEREON NOT CLOSER THAN 500 FEET TO THE BOUNDARY OF SAID SECTION 23, OR FOR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

Signed by,
Edward T. Schafer, Governor
Chairman
ND Industrial Commission (9-30)

Affidavit of Publication

State of North Dakota, County of Divide, ss:

I, Steven J. Andrist, being first duly sworn, on my oath, say that I am the publisher of The Journal, a weekly newspaper of general circulation and official newspaper of Divide County, State of North Dakota, published in the city of Crosby, ND, and that the advertisement headed

Notice of publication

a printed copy of which is here attached, was published in The Journal on the following dates:

_____	Lines @ _____	= \$ _____
_____	Lines @ _____	= \$ _____
_____	Lines @ _____	= \$ _____
<u>September 30, 1998</u>	<u>14</u> Column Inches @ <u>3.90</u>	= \$ <u>54.60</u>
_____	Column Inches @ _____	= \$ _____
_____	Column Inches @ _____	= \$ _____
Notary/Affidavit Fee	_____	= \$ _____
Total Charge	_____	= \$ <u>54.60</u>

Signed

Steven J. Andrist

Steven J. Andrist, Publisher

Subscribed and sworn to before me October 1, 1998

Donna Molander

Donna Molander
Notary Public, State of North Dakota
My Commission Expires December 14, 2000



Burlough County

**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 October 21, 1998, Pioneer Room, State Capitol, 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.

ATTENTION PERSONS WITH DISABILITIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by October 7, 1998.

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. 7145:** (CONTINUED) ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF LYCO OPERATING COMPANY FOR AN ORDER ESTABLISHING 320-ACRE TEMPORARY SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL IN THE INTERLAKE FORMATION UNDERLYING THE SE/4 OF SECTION 24, AND THE NE/4 OF SECTION 25, T.161N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, DISCOVERED BY APPLICANT'S #25-2 PLUMER-LUNDQUIST WELL, AND ENACTING SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY AND/OR ADVISABLE. **CASE NO. 7156:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER AUTHORIZING THE FLARING OF GAS FROM THE FOLLOWING WELLS OPERATED BY THE APPLI-

CANT AND PRODUCING FROM THE CEDAR HILLS-RED RIVER "B" POOL, BOWMAN COUNTY, NORTH DAKOTA:

TURBIVILLE 1-11-SEC. 11-T130N-R106W;
HARRY 1-15F-SEC. 15-T130N-R106W;
BAR LT 1-14-SEC. 14-T130N-R106W;
ERIC 1-24F-SEC. 24-T130N-R106W;
PAMELA 1-23F-SEC. 23-T130N-R106W;
ELSIE 1-22F-SEC. 22-T130N-R106W;
ADAM 1-26F-SEC. 26-T130N-R106W;
AGGRAVATION ACRES 1-34F-SEC. 34-T130N-R106W;
DONALD 1-35-SEC. 35-T130N-R106W;
BEN 1-28F-SEC. 28-T130N-R106W;
NAGLE 1-27F-SEC. 27-T130N-R106W;
AS AN EXCEPTION TO THE PROVISIONS OF SECTION 38-08-06.4 OF THE NORTH DAKOTA CENTURY CODE AND/OR SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS JUST AND APPROPRIATE. **CASE NO. 7157:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL RESOURCES, INC. FOR AN ORDER AUTHORIZING THE FLARING OF GAS FROM THE FOLLOWING WELLS OPERATED BY THE APPLICANT AND PRODUCING FROM THE CEDAR HILLS-RED RIVER "B" POOL, BOWMAN AND SLOPE COUNTIES, NORTH DAKOTA:

CEDAR HILLS 1-32F-SEC. 32-T132N-R105W;
MARY 1-31-SEC. 31-T131N-R104W;
CLARA 1-30-SEC. 30-T131N-R104W;
DOUG 1-18-SEC. 18-T133N-R106W;
AS AN EXCEPTION TO THE PROVISIONS OF SECTION 38-08-06.4 OF THE NORTH DAKOTA CENTURY CODE AND/OR SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEM JUST AND APPROPRIATE. **CASE NO. 7158:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE NORTHWEST MCGREGOR-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 29, T.159N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE DRILLING UNIT CONSISTING OF ALL OF SAID SECTION 29 FOR THE PURPOSE OF DRILLING A HORIZONTAL WELL IN THE RATCLIFFE FORMATION AND/OR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7159:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE TEMPLE-MADISON POOL AND NORTHWEST MCGREGOR-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 31, T.159N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE DRILLING UNIT CONSISTING OF ALL OF SAID SECTION 31 FOR THE PURPOSE OF DRILLING A HORIZONTAL WELL IN THE RATCLIFFE FORMATION AND/OR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE.

CASE NO. 7160: ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE MCGREGOR-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 32, T.159N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE DRILLING UNIT CONSISTING OF ALL OF SAID SECTION 32 FOR THE PURPOSE OF DRILLING A HORIZONTAL WELL IN THE RATCLIFFE FORMATION AND/OR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7161:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE MCGREGOR-MADISON POOL AND TIoga-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 22, T.158N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE DRILLING UNIT CONSISTING OF ALL OF SAID SECTION 22 FOR THE PURPOSE OF DRILLING A HORIZONTAL WELL IN THE RATCLIFFE FORMATION AND/OR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7162:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE MCGREGOR-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 20, T.158N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE DRILLING UNIT CONSISTING OF ALL OF SAID SECTION 20 FOR THE PURPOSE OF DRILLING A HORIZONTAL WELL IN THE RATCLIFFE FORMATION AND/OR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7163:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE MCGREGOR-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 28, T.158N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE

THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7164:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF TPC EXPLORATION FOR AN ORDER AMENDING THE FIELD RULES FOR THE MCGREGOR-MADISON POOL SO AS TO CREATE AND ESTABLISH A ZONE OF 640-ACRE SPACING FOR SECTION 28, T.158N., R.95W., WILLIAMS COUNTY, NORTH DAKOTA, OR CREATING AND ESTABLISHING A 640-ACRE

DRILLING UNIT CONSISTING OF ALL OF SAID SECTION 28 FOR THE PURPOSE OF DRILLING A HORIZONTAL WELL IN THE RATCLIFFE FORMATION AND/OR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7164:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF ALENCO OIL AND GAS [N.D.] INC. FOR AN ORDER CREATING A 320-ACRE DRILLING UNIT CONSISTING OF THE E/2 OF SECTION 13, T.151N., R.89W., MOUNTRAIL COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF A WELL AT A LOCATION ANYWHERE WITHIN SAID DRILLING UNIT NOT LESS THAN 660 FEET FROM THE PROPOSED DRILLING UNIT BOUNDARY AS AN EXCEPTION TO THE PROVISIONS OF SECTION 43-02-03-18 OF THE NORTH DAKOTA ADMINISTRATIVE CODE, AND SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7165:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF ALENCO OIL AND GAS [N.D.] INC. FOR AN ORDER CREATING A 320-ACRE DRILLING UNIT CONSISTING OF THE E/2 OF SECTION 35, T.151N., R.88W., MOUNTRAIL COUNTY, NORTH DAKOTA, AUTHORIZING THE DRILLING OF A WELL AT A LOCATION ANYWHERE WITHIN SAID DRILLING UNIT NOT LESS THAN 660 FEET FROM THE PROPOSED DRILLING UNIT BOUNDARY AS AN EXCEPTION TO THE PROVISIONS OF SECTION 43-02-03-18 OF THE NORTH DAKOTA ADMINISTRATIVE CODE, AND SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7137:** (CONTINUED) ON A MOTION OF THE COMMISSION TO CONSIDER THE TEMPORARY SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL DISCOVERED BY THE ALENCO OIL & GAS (ND) INC. ALENCO NORDQUIST 151-89-23 #DCB WELL, LOCATED IN THE SW/4 SE/4 OF SECTION 23, T.151N., R.89W., MOUNTRAIL COUNTY, NORTH DAKOTA, DEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY. **CASE NO. 7143:** (CONTINUED) ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF WESTPORT OIL AND GAS COMPANY, INC. FOR AN ORDER AMENDING ORDER NO. 2972 ENTERED ON CASE NO. 2843 RELATIVE TO AUTHORIZING UNRESTRICTED PRODUCTION AND PERMIT THE FLARING OF GAS FROM THE SQUAW GAP NO. 14-30H WELL LOCATED IN THE SW/4 SW/4 OF SECTION 30, T.146N., R.104W., MCKENZIE COUNTY, NORTH DAKOTA, FOR A PERIOD OF TIME NOT TO EXCEED 120 DAYS FROM FIRST PRODUCTION OF SAID WELL; AND SUCH OTHER AND ADDITIONAL RELIEF AS THE COMMISSION MAY DEEM APPROPRIATE.

CASE NO. 7166: ON A MOTION OF THE COMMISSION TO CONSIDER THE PROPER SPACING FOR THE DEVELOPMENT OF THE SUNSET BUTTE-RED RIVER "C" POOL, BOWMAN COUNTY, NORTH DAKOTA, REDEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY. BURLINGTON RESOURCES OIL & GAS COMPANY. **CASE NO. 7167:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF ARMSTRONG RESOURCES, L.L.C. FOR AN ORDER EXTENDING THE FIELD LIMITS OF THE AMBROSE FIELD TO INCLUDE ALL OF SECTION 16, T.163N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, AND ESTABLISH A SPACING UNIT FOR THE AMBROSE-DUPEROW POOL CONSISTING OF ALL OF SAID SECTION 16, AND ALLOWING A HORIZONTAL WELL TO BE DRILLED AT ANY LOCATION THEREON NOT CLOSER THAN 500 FEET TO THE BOUNDARY OF SAID SECTION 16, OR FOR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7168:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF ARMSTRONG RESOURCES, L.L.C. FOR AN ORDER EXTENDING THE FIELD LIMITS OF THE WEST AMBROSE FIELD TO INCLUDE ALL OF SECTION 23, T.163N., R.100W., DIVIDE COUNTY, NORTH DAKOTA, AND ESTABLISH A SPACING UNIT FOR THE WEST AMBROSE-DUPEROW POOL CONSISTING OF ALL OF SAID SECTION 23, AND ALLOWING A HORIZONTAL WELL TO BE DRILLED AT ANY LOCATION THEREON NOT CLOSER THAN 500 FEET TO THE BOUNDARY OF SAID SECTION 23, OR FOR SUCH OTHER AND FURTHER RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7169:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF AMERADA HESS CORPORATION FOR AN ORDER POOLING ALL INTERESTS IN A SPACING UNIT FOR THE BLUE BUTTES-STONEWALL POOL DESCRIBED AS THE N/2 OF SECTION 30, T.151N., R.95W., MCKENZIE COUNTY, NORTH DAKOTA. **CASE NO. 7170:** ON A MOTION OF THE COMMISSION TO CONSIDER THE PETITION OF BALLANTYNE OIL CO. FOR AN ORDER PROVIDING FOR THE UNITIZED MANAGEMENT, OPERATION, AND FURTHER DEVELOPMENT OF THE KUROKI-MADISON UNIT AREA, CONSISTING OF LANDS WITHIN, AND CONTIGUOUS TO, THE KUROKI FIELD IN BOTTINEAU COUNTY, NORTH DAKOTA; FOR APPROVAL OF THE UNIT AGREEMENT AND UNIT OPERATING AGREEMENT CONSTITUTING THE PLAN OF UNITIZATION FOR THE KUROKI-MADISON UNIT AREA; FOR APPROVAL OF THE PLAN OF OPERATION; VACATING THE APPLICA-

BLE SPACING ORDERS; AND FOR SUCH FURTHER AND ADDITIONAL RELIEF AS THE COMMISSION DEEMS APPROPRIATE. **CASE NO. 7171:** ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF BALLANTYNE OIL CO. FOR AN ORDER DETERMINING THAT THE PLAN OF UNITIZATION FOR THE KUROKI-MADISON UNIT AREA, BOTTINEAU COUNTY, NORTH DAKOTA, HAS BEEN SIGNED, RATIFIED OR APPROVED BY OWNERS OF INTEREST OWNING THAT PERCENTAGE OF THE WORKING INTEREST AND ROYALTY INTEREST WITHIN SAID UNIT AS IS REQUIRED BY APPLICABLE STATUTES AND RULES OF THE COMMISSION.

Signed by:
Edward T. Schafer, Governor
Chairman, ND Industrial Commission.
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