BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 11264 ORDER NO. 13358

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION CONSIDER THE APPLICATION OF ST. MARY LAND & EXPL. CO. FOR AN ORDER PURSUANT TO NDAC § 43-02-03-88.1 POOLING ALL INTERESTS IN A SPACING UNIT FOR THE AMBROSE-BAKKEN POOL, SECTIONS 29 AND 32, T.163N., R.99W., DIVIDE COUNTY, ND, AUTHORIZING THE RECOVERY FROM EACH NON-PARTICIPATING OWNER OF A RISK PENALTY AS PROVIDED IN NDCC § 38-08-08 AND **SUCH** OTHER **RELIEF** AS IS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 20th day of July, 2009.
- (2) Counsel for applicant requests that this case be dismissed without prejudice.

IT IS THEREFORE ORDERED:

(1) This case is dismissed without prejudice.

Dated this 20th day of August, 2009.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

I, Jeanette Bean, being duly sworn upon oath, depose and say: That on the <u>31st</u> day of <u>August, 2009</u> enclosed in separate envelopes true and correct copies of the attached Order No. <u>13358</u> 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. <u>11264</u>:

LAWRENCE BENDER FREDRICKSON & BYRON PO BOX 1855 BISMARCK ND 58502-1855

JOHN MORRISON FLECK MATHER & STRUTZ LTD PO BOX 2798 BISMARCK ND 58502-2798

ROGER NELSON ST MARY LAND & EXPLORATION CO PO BOX 7168 BILLINGS MT 59103-7168

GORDON OLSON ST MARY LAND & EXPLORATION CO PO BOX 7168 BILLINGS MT 59103-7168

MIKE BRYANT ST MARY LAND & EXPLORATION CO PO BOX 7168 BILLINGS MT 59103-7168

Jeanette Bean
Oil & Gas Division

On this <u>31st</u> day of <u>August, 2009</u> before me personally appeared Jeanette Bean 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.

TRUDY HOGUE Notary Public State of North Dakota My Commission Expires March 4, 2014 Motary Public

State of North Dakota, County of Burleigh

BEFORE THE NORTH DAKOTA INDUSTRIAL COMMISSION

CASE NO. 11263-68

APPLICATION FOR POOLING ALL INTEREST AMBROSE-BAKKEN POOL Divide County, ND

July 20, 2009

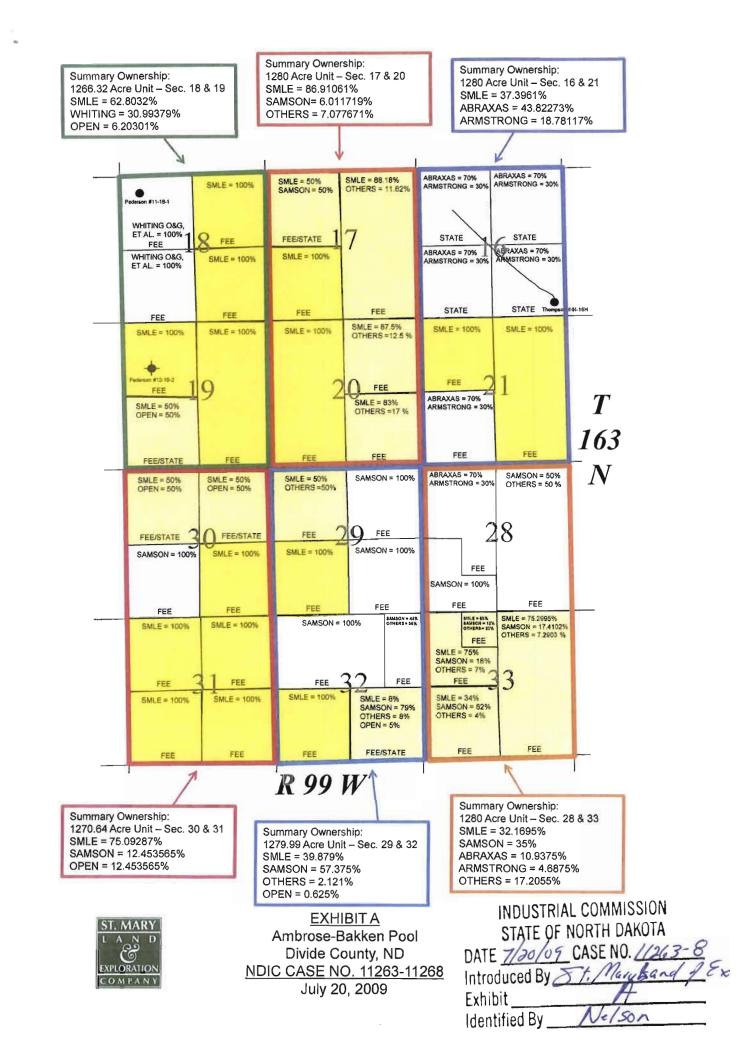
ST. MARY LAND & EXPLORATION CO.



CASE NO. 11263-11268 AMBROSE-BAKKEN POOL

INDEX

Exhibit A Spacing Unit / Tract Ownership Map



Care No. 11264

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

In the matter of the application of St. Mary)	
Land & Exploration Company for an order))
pursuant to Section 43-02-03-88.1 of the North)	
Dakota Administrative Code pooling all)	APPLICATION
interests in a spacing unit for the Ambrose-)))
Bakken pool described as all of Sections 29 and	
32, T.163N., R.99W., Divide County, North	
Dakota, authorizing the recovery from each)	
non-participating owner of a risk penalty as))
provided in Section 38-08-08 of the North	
Dakota Century Code, and for such other and	
further relief as may be appropriate.	

COMES NOW the applicant, St. Mary Land & Exploration Company, and respectfully alleges as follows:

- 1. It is the owner of an interest in the oil and gas leasehold estate underlying all or portions of Sections 29 and 32, Township 163 North, Range 99 West, Divide County, North Dakota.
- 2. By separate application, applicant has requested that said lands be designated as a 1280-acre spacing unit in the Ambrose-Bakken pool.
- 3. There are separately owned tracts and separately owned interests within tracts within the spacing unit.
- 4. There is no voluntary pooling agreement covering all interests within the spacing unit.
- 5. In the event that any owners elect not to lease or otherwise participate in the risk and cost of drilling a well on said spacing unit, applicant intends to collect the penalty afforded by Section 38-08-08 of the North Dakota Century Code.

- 6. That applicant requests the Commission enter its order pooling all interests within said spacing unit and authorize the recovery of a risk penalty in accordance with Section 38-08-08 of the North Dakota Century Code.
- 7. Applicant requests that it be allowed to present testimony by telephone pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code.

WHEREFORE, applicant respectfully requests that this matter be set for hearing at the regularly scheduled hearings in July, 2009 and that thereafter the Commission enter its order granting the relief requested.

Dated this **May** of June, 2009.

ST. MARY LAND & EXPLORATION COMPANY

CROWLEY FLECK PLLP Attorneys for the Applicant Suite 600, 400 East Broadway P.O. Box 2798

Bismarck, ND 58502

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 Gray of June, 2009.

(SEAL)

MICHELLE WENGER
Notary Public
State of North Dakota
My Commission Expires Oct. 30, 2009

Michelle Wenger, Notary Public

Burleigh County, North Dakota

My Commission Expires: 10/30/09



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Bismarck Tribune

PO:Public Hearing

Affidavit of Publication

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Before me, a Notary Public for the State of North Dakota
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NOTICE OF HEARING N.D. INDUSTRIAL COMMISSION OIL AND GAS DIVISION

North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Monday, July 20, 2009, at the N.D. Oil & Gas Division, 1016 East Calgary Ave., Bismarck, N. D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below.

PERSONS WITH DISABILITIES: If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at

701-328-8038 by Tuesday, July 07, 2009.

STATE OF NORTH DAKOTA TO:

Case No. 11246: Temporary spacing to develop an oil and/or gas pool discovered by the Marathon Oil Co. #14-35H Darwin, SWSW Section 35, T.145N., R.96W., Dunn County, ND, define the field limits, and enact such special field rules as may be necessary.

<u>Case No. 11247:</u> Application of Marathon

Oil Co.for an order creating a 1280-acre drilling unit consisting of Sections 17 and 20, T.146N., R.92W., Dunn County, ND, and allowing a horizontal well to be drilled in the Bakken Formation in each such drilling unit at any location not closer than 500 feet to the boundary thereof, or granting such other relief as is appropriate.

Case No. 11248: Application of Petro-Hunt, LLC for an order amending the applicable field orders for the Charlson-Bakken and Keene-Bakken Pools to establish a 1280-Bakken or Keene-Bakken Pool consisting of Sections 13 and 24, T.153N., R.96W., McKenzie County, ND, and allow a horizontal well to be drilled at any location thereon not closer than 500 feet to the boundary of the spacing unit and such other relief as is appropriate.

Case No. 11078: (Continued) Application of Petro-Hunt, LL.C., for an order creating five 1280-acre drilling units for the Bakken Formation consisting of Sections 14 and 15; Sections 13 and 24; Sections 22 and 27; Sections 23 and 26; and Sections 25 and 36, T.148N., R.95W., Dunn County, ND, and allowing a horizontal well to be drilled at any location not closer than 500 feet to the

any location not closer than 500 feet to the boundary of each drilling unit and such other relief as is appropriate.

Case No. 11249: Application of Luff Expl.
Co. for an order amending the orders for the Cold Turkey Creek-Red River Pool to include the E/2 and NW/4 of Section 20. T.130N., R.102W., Bowman County, ND, in Zone VII of the Cold Turkey Creek-Red River Pool and such other relief as is appropriate.

Case No. 11250; Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 poolingall interests in a spacing unit for the Enget Lake-Bakken Pool, Sections 15 and 22, T.158N., R.93W., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 11251; Application of Hess Corp.

for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Enget Lake-Bakken Pool, Sections 9 and 10, T.158N., R.93W., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as

Case No. 11252: Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Big Butte-Bakken Pool, Sections 15 and 22, T.157N., R.94W., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08

and such other relief as is appropriate.

Case No. 11253: Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Big Butte-Bakken Pool, Sections 6 and 7,T.156N., R.94W., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 1,1254; Application of Hess Corp. for an order pursuant to NDAC §43-02-03-88.1 pooling all interests in a spacing unit in an unnamed Bakken Pool described as Sections 26 and 27, T.157N., R.93W., Sections 26 and 27, 1.157N., K.93V., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate

Case No. 11255: Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit in an unnamed Bakken Pool described as Sections 15 and 22, T.157N., R.93W., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as

is appropriate.

<u>Case No. 11204</u>: (Continued) Temporary, spacing to develop an oil and/or gas pool discovered by the Hess Corp. #3625H-I RS-State F-157-92, SESE Section 36, T.157N., R.92W., Mountrail County, ND, define the field limits, and enact such special

Case No. 11205: (Continued) Application of Hess Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Manitou-Bakken Pool, Sections 28 and 33, T.156N., R.94W., Mountrail County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 11229: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the Burlington Resources Oil & Gas Co., LP #11-23H Catalina, NWNW Section 23, T.145N., R.96W., Dunn County, ND, define the field limits, and enact such special field rules as may be necessary. Case No. 11256: Application of Burlington Resources Oil & Gas Co. LP for an order pursuant to NDAC § 43-02-03-88.1 pooling pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit in an unnamed Bakken Pool for the Catalina #11-23H, Sections 23 and 24, T.145N., R.96W., Duni County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate and such other relief as is appropriate.

Case No. 11257: Application of Burlington

Resources Oil & Gas Co. LP for an order pursuant to NDAC § 43-02-03-88.1 designating the Minnelusa Group in the Cedar Hills Field, located in Bowman and Slope Counties, ND, as an exempt aquifer pursuant to NDAC § 43-02-05-03 and such other relief as is appropriate.

Case No. 11258: Application of Burlington Resources Oil & Gas Co. LP for an order extending the outline of the Blue Buttes Field to include Sections 2 and 11, T.151N., R.95W., McKenzie County, ND, and further including said lands within Zone II of the Blue Buttes-Bakken Pool, for which spacing has been established on the basis of one horizontal well per 1280-acres and such

other relief as is appropriate.

<u>Case No. 1125</u>9: Application of Burlington Resources Oil & Gas Co. LP for an order: amending the orders for the Berg, Union Center and Clear Creek Fields to establish three 1280-acre spacing units in either the Union Center-Bakken or the Clear Creek-Bakken Pool consisting of Sections 13 and Bakken Pool consisting of sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, T.152N., R.96W., McKenzie County, ND and such other relief as is appropriate.

Case No. 11269: Application of Burlington Resources Oil & Gas Co. LP for an order extending the outline of the Haystack Buttle Field to include all of T.148N., R.98W. McKenzie County, ND, and further including

all of said township within Zone II of the Haystack Butte-Bakken Pool, for which spacing has been established on the basis of one horizontal well per 1280-acres and such other relief as is appropriate.

<u>Case No. 11228:</u> (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the Burlington Resources Oil & Gas Co., LP #14-9H Jack, SESW Section 9, T.145N., R.95W., Dunn County, ND, define the field limits, and enact such special

field rules as may be necessary.

Case No. 11261: Application of vvindsor Energy Group, LL.C. for an order pooling all interests in a spacing unit for the Parshall-Bakken Pool, Section 4, T.153N., R.80W.; Mountrail County, ND; authorizing the recovery of a risk penalty in accordance with NDCC § 38-08-08 against the interest of any owner that has elected or elects not to participate in the risk and cost of drilling a well on said spacing unit and such other relief as is appropriate.

Case No. 11262: Application of St. Mary Land & Expl. Co. for an order extending the boundary of the Ambrose Field to include all of Sections 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33, T.163N., R.99W., Divide County, ND, and further including Sections 16 and 21; Sections 17 and 20; Sections 18 and 19; Sections 30 and 31; Sections 29 and 32; and Sections 28 and 33 as 1280-

acre spacing units within Zone I of the Ambrose-Bakken Pool and such other relief as is appropriate.

Case No. 11263: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests NDAC § 43-02-03-08.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 30 and 31, T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner of 2, risk penalty as provided in NDCC § 38-08. 08 and such other relief as is appropriate.

Case No. 11264: Application of St. Mary

Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 29 and 32, T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as its appropriate.

is appropriate. Case No. 11265: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88. I pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 28 and 33, T.163N., R.99W., 18 Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as

Case No. 11266; Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 18 and 19, T.163N., R.99W, Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate. Case No. 11267: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 17 and 20, T.163N., R.99W.,
Divide County, ND, authorizing the
recovery from each non-participating
owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as

is appropriate. Case No. L1268: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests no a spacing unit for the Ambrose-Bakken Pool, Sections 16 and 21, T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 11269: Application of PDC Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit in an unnamed Bakken Pool for the Jepsen #21-19HB, Sections 19 and 30, T.161N., R.90W., Burke County, ND, authorizing the recovery from each non-participating owner of a risk penalty as pro-vided in NDCC § 38-08-08 and such other relief as may be appropriate.

Case No. 11118: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the PDC Corp. #21-19HB lepsen, NENW Section 19.T.161N., R.90W. Burke County, ND, define the field limits, and enact such special field rules as may be necessary.

and enext such special field rules as may be necessary.

Case No. 11174, (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the Questar Expl & Prod Co. #1-18t-150-90 MHA, NENW Section 18. T.150N., R.90W, McLean County, ND, define the field limits, and enact such special field rules as may be necessary. Signed by.

special new . Signed by, John Hoesen, Governor John Hoesen, Modustrial Commission (Chairman, ND Industrial Commission 7/1 - 604224

NOTICE OF HEARING N.D. INDUSTRIAL COMMISSION OIL AND GAS DIVISION

The North Dakota Industrial Com- 38-08-08 and such other relief as is mission will hold a public hearing at 9:00 a,m. Monday, July 20, 2009, at the N.D. Oil & Gas Division, 1016 East Calgary Ave., Bismarck, N. D. At the hearing the Commission will receive testimony and exhibits. Persons with any interest in the cases listed below, take notice.

PERSONS WITH DISABILI-TIES:

If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Tuesday, July 07, 2009.

STATE OF NORTH DAKOTA TO:

Case No. 11262: Application of St. Mary Land & Expl. Co. for an order extending the boundary of the Ambrose Field to include all of Sections 16, 17, 18, 19, 20, 21, 28, 29, 30, 31, 32, and 33, T.163N., R.99W., Divide County, ND, and further including Sections 16 and 21; Sections 17 and 20;

Sections 18 and 19; Sections 30 and 31; Sections 29 and 32; and Sections 28 and 33 as 1280-acre spacing units within Zone I of the Ambrose-Bakken Pool and such other relief as is appropriate.

Case No. 11263: Application of order pursuant to NDAC § 43-02-

03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 30 and 31, T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

appropriate.

Case No. 11266: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 18 and 19, T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC & 38-08-08 and such other relief as is appropriate.

Case No. 11267: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 17 and 20, T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 11268: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 16 and 21. T.163N., R.99W., Divide County, St. Mary Land & Expl. Co. for an ND, authorizing the recovery from each non-participating owner of a risk penalty as provided in NDCC 8 38-08-08 and such other relief as is appropriate.

Signed by, John Hoeven, Governor Chairman. ND Industrial Commission

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 HEARING

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

Case No. 11264: Application of St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 29 and 32,

T.163N., R.99W., Divide County, ND, authorizing the recovery from each non-participating owner

of a risk penalty as provided in NDCC § 38-08-08 and such other relief as is appropriate.

St. Mary Land & Expl. Co. for an order pursuant to NDAC § 43-02-

03-88.1 pooling all interests in a spacing unit for the Ambrose-Bakken Pool, Sections 28 and 33, T.163N., R.99W., Divide County, ary Public, State of North Dakota ND, authorizing the recovery from pmmission Expires August 2, 2011 each non-participating owner of a risk penalty as provided in NDCC §

Steven J. Andrist, Publisher

Case No. 11265: Application of d and sworn to before me July 1, 2009

Vonni L. Anderson

VONNIL ANDERSON Notary Euplic State of North Dakota My Commission Expires Aug. 2, 2011