

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 13634

ORDER NO. 15911

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF BAYTEX ENERGY USA LTD. FOR AN ORDER AUTHORIZING THE DRILLING, COMPLETING AND PRODUCING OF THE LARSON 3-162-99H WELL WITH A BOTTOM HOLE LOCATION APPROXIMATELY 347 FEET FROM THE SOUTH LINE AND 489 FEET FROM THE EAST LINE OF SECTION 3, T.162N., R.99W., DIVIDE COUNTY, ND, AS AN EXCEPTION TO THE PROVISIONS OF NDAC § 43-02-03-18, 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 19th day of November, 2010.
- (2) Baytex Energy USA Ltd. (Baytex) made application to the Commission for an order authorizing the drilling, competing, and producing of the Larson 3-162-99H well, with a bottom hole location approximately 347 feet from the south line and 489 feet from the east line of Section 3, Township 162 North, Range 99 West (Section 3), Divide County, North Dakota, as an exception to any field rules and/or the provisions of North Dakota Administrative Code Section 43-02-3-18, and such other relief as is appropriate.
- (3) The location approximately 347 feet from the south line and 489 feet from the east line of Section 3 is the position of the heel of the Larson 3-162-99H well, not the bottom hole location, therefore, this case should be dismissed due to an error in the application. The Commission notes Baytex has filed a corrected application and has been docketed as Case No. 13833 on December 16, 2010.

IT IS THEREFORE ORDERED:

- (1) This case is dismissed without prejudice.

Dated this 11th day of January, 2011.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

SFN 5729

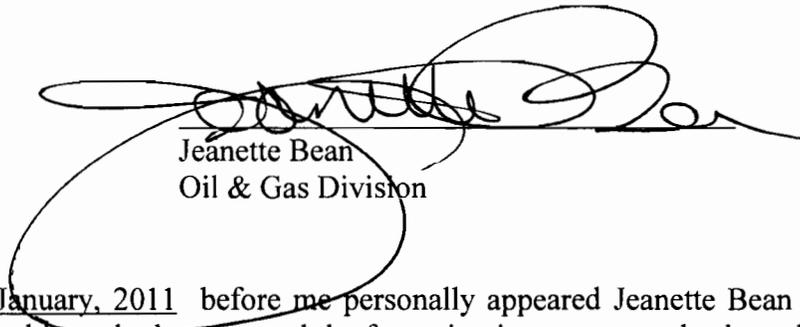
STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

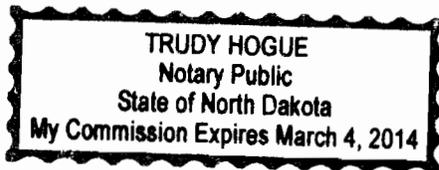
I, Jeanette Bean, being duly sworn upon oath, depose and say: That on the 14th day of January, 2011 enclosed in separate envelopes true and correct copies of the attached Order No. 15911 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 13634:

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



Jeanette Bean
Oil & Gas Division

On this 14th day of January, 2011 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.





Notary Public
State of North Dakota, County of Burleigh

Schmidt, Bethany R.

From: Klocke, Melissa <MKlocke@fredlaw.com>
Sent: Thursday, November 04, 2010 4:04 PM
To: Schmidt, Bethany R.
Cc: Hicks, Bruce E.; Fine, Karlene K.; Helms, Lynn D.; Sattler, Todd A.;
Randy.Verret@baytexenergyusa.com; Heilman, Tracy A.; Entzi-Odden, Lyn
Subject: Baytex - 13634/Dismissal
Attachments: Baytex - 13634.pdf

Please see the attached.

Thanks.

Melissa Klocke
Legal Secretary
Fredrikson & Byron, P.A.
200 North Third Street, Suite 150
Bismarck, ND 58501-3879
Phone: 701-221-4046
Fax: 701-221-4040
mklocke@fredlaw.com

November 4, 2010

VIA EMAIL

Mr. Bruce Hicks
Assistant Director
North Dakota Industrial Commission
Oil and Gas Division
600 East Boulevard
Bismarck, North Dakota 58505-0310

**RE: NDIC CASE NO. 13634
BAYTEX ENERGY USA LTD.**

Dear Mr. Hicks:

Please find enclosed herewith for filing a NOTICE OF DISMISSAL OF BAYTEX ENERGY USA LTD. in the captioned matter.

Thank you for your attention to this matter.

Sincerely,



LAWRENCE BENDER

LB/mk

Enclosure

cc: Ms. Karlene Fine - (w/enc.) *Via Email*
Mr. Lynn Helms - (w/enc.) *Via Email*
Mr. Todd Sattler - (w/enc.) *Via Email*
Mr. Randy Verret - (w/enc.) *Via Email*

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Attorneys & Advisors
main 701.221.4020
fax 701.221.4040
www.fredlaw.com

Fredrikson & Byron, P.A.
200 North Third Street, Suite 150
Bismarck, North Dakota
58501-3879

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

Case No. 13634

Application of Baytex Energy USA Ltd. for an order authorizing the drilling, completing and producing of the Larson 3-162-99H well with a bottom hole location approximately 347 feet from the south line and 489 feet from the east line of Section 3, T.162N., R.99W., Divide County, ND, as an exception to the provisions of NDAC § 43-02-03-18, and such other relief as is appropriate.

NOTICE OF DISMISSAL OF BAYTEX ENERGY USA LTD.

PLEASE TAKE NOTICE that on Friday, November 19, 2010, Baytex Energy USA Ltd. will respectfully request that the above-captioned matter be dismissed without prejudice.

DATED this 4th day of November 2010.

Fredrikson & Byron, P.A.

By 

LAWRENCE BENDER, ND Bar #03908
*Attorneys for Applicant, Baytex Energy
USA Ltd.*

200 North 3rd Street, Suite 150
P. O. Box 1855
Bismarck, ND 58502-1855
(701) 221-4020

Fredrikson

& BYRON, P.A.

October 26, 2010

Mr. Bruce Hicks
Assistant Director
North Dakota Industrial Commission
Oil and Gas Division
600 East Boulevard
Bismarck, North Dakota 58505-0310

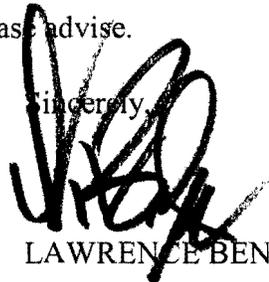


RE: NDIC CASE NO. 13634
Baytex Energy USA Ltd.

Dear Mr. Hicks:

Please find enclosed herewith for filing the AFFIDAVIT OF SERVICE in regard to the captioned matter.

Should you have any questions, please advise.

Sincerely,

LAWRENCE BENDER

LB/leo

Enclosure

cc: Mr. Randy Verret - (w/enc.) *Via Email*

4824616_1.DOC

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12995 101ST ST NW
AMBROSE, ND 58833

STATE of ND
OG 09 00684
1707 N 9TH ST
BISMARCK, ND 58501

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CASPER, WY 82604

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MAGNOLIA, TX 77355

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ODESSA, TX 79761

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MINOT, ND 58701

GERALD A & SHARON
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CROSBY, ND 58730

MARY DAWKINS
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WHISTLER, AL 26612

FRANK DAVID ELSIK
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PASADENA, TX 77506

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PERRY COLWELL
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BARTON REVOCABLE TRUST
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ALAMO, ND 58830

ARLENE MYERS
12885 COUNTY 2 NW
AMBROSE, ND 58833

DEE ANN M STUART
32 CR 5190
BLOOMFIELD, MN 87413

NODANA CORPORATION
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WILLISTON, ND 58802

LEROY J & PEGGY
GREENSHIELDS
1920 UMPTANUM RD
ELLENSBURG, WA 98926

EXHIBIT A

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 13634

Application of Baytex Energy USA Ltd. for an order authorizing the drilling, completing and producing of the Larson 3-162-99H well with a bottom hole location approximately 347 feet from the south line and 489 feet from the east line of Section 3, Township 162 North, Range 99 West, Divide County, North Dakota, as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code and such other and further relief.



APPLICATION OF BAYTEX ENERGY USA LTD.

Baytex Energy USA Ltd. ("Baytex"), for its application, respectfully shows the North Dakota Industrial Commission ("Commission") as follows:

1.

That Baytex is the owner of an interest in the oil and gas leasehold estate in Section 3, Township 162 North, Range 94 West, Divide County, North Dakota ("Section 3").

2.

That Baytex is the operator of the Larson 3-162-99H well with a surface location in the Southeast Quarter of the Southeast Quarter (SE/4SE/4) of Section 3.

3.

That all of Section 3 constitutes the spacing unit for the Larson 3-162-99H well in the Ambrose-Bakken Pool.

4.

That Commission well location rules require the Larson 3-162-99H well to be completed not less than 500 feet to the exterior boundaries of Section 36.

5.

That Baytex has inadvertently drilled the well less than 500 feet to the east line of the drilling unit boundary to a point approximately 489 feet from the east line and 347 feet from the south line of Section 3.

6.

That attached hereto and marked Exhibit "A" is a plat showing the Larson 3-162-99H well location and showing all producing wells and abandoned producers and dry holes on properties adjoining the proposed location.

7.

That attached hereto and marked Exhibit "B" is a list of owners or lessees of properties adjoining the tract which would be affected by the exception location to each of which a copy of this application is being mailed.

8.

That Baytex is of the opinion that drilling, completing and producing of its Larson 3-162-99H well, with a bottom hole location approximately 489 feet from the east line and 347 feet from the south line of said Section 3, is necessary to protect correlative rights, prevent waste and to effect the greater ultimate recovery of oil and gas from the pool.

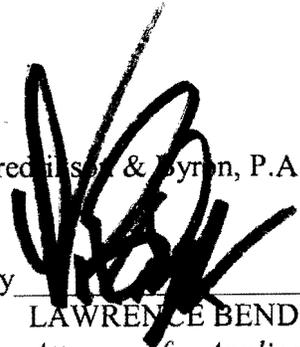
That Baytex therefore requests an order authorizing the drilling, completing and producing of the Larson 3-162-99H well with a bottom hole location approximately 489 feet from the east line and 347 feet from the south line of Section 3, Township 162 North, Range 94 West, Divide County, North Dakota, as an exception to the provisions of Section 43-02-03-18 of the North Dakota Administrative Code and further relief as the Commission deems appropriate.

WHEREFORE, Baytex requests the following:

- (a) That this matter be set for the regularly scheduled November 2010 hearings of the Commission;
- (b) That pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code, Baytex's witnesses in this matter be allowed to participate by telephonic means; and
- (c) That the Commission issue its order granting the relief requested and such other and further relief as the Commission may deem appropriate.

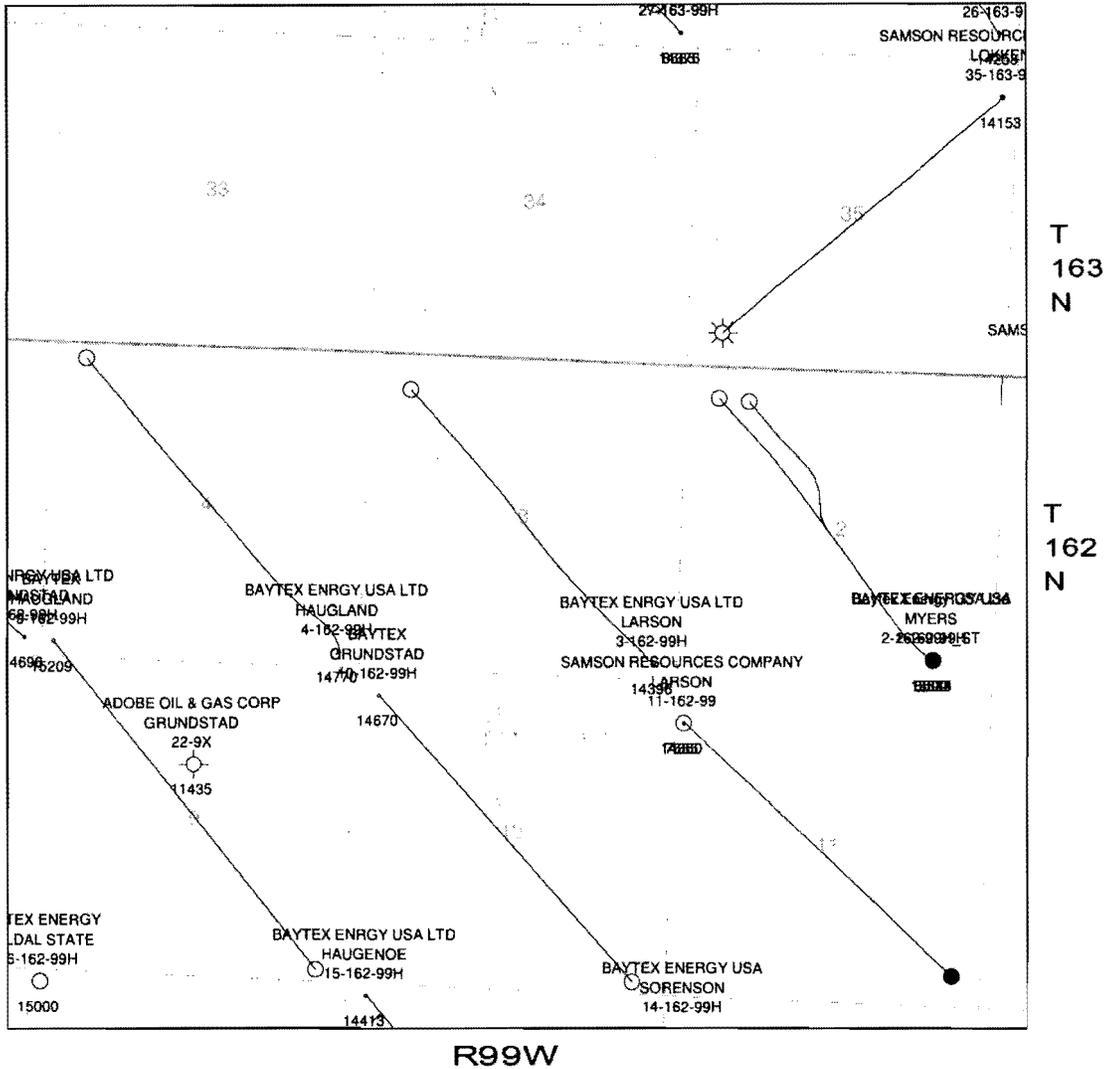
DATED this 18th day of October, 2010.

Fredrickson & Byron, P.A.

By 

LAWRENCE BENDER, ND Bar #03908
Attorneys for Applicant,
Baytex Energy USA Ltd.
200 North 3rd Street, Suite 150
P. O. Box 1855
Bismarck, ND 58502-1855

Case # xxxx
Exhibit A



Exception Location
Larson 3-162-99H

Scale
1" = 3000'



BAYTEX		
Exception Location Exhibit A Larson 3-162-99H Divide County, ND		
WBM	Scale: 1" = 3000'	Date: 15 October, 2010

JUDITH A ENGMANN
1109 7TH AVE E
WILLISTON, ND 58801

LARRY SELLE ET UX
12995 101ST ST NW
AMBROSE, ND 58833

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OG 09 00684
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ELLENSBURG, WA 98926

EXHIBIT B

Nov 19 2010

OK
RECEIVED
NOV 2010
ND OIL & GAS
DIVISION
13

NOTICE OF HEARING N.D. INDUSTRIAL COMMISSION C

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Friday, November 19, 2010, 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 DISABILITIES: If at the hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Saturday, November 06, 2010.

STATE OF NORTH DAKOTA
TO:

Case No. 13634: Application of Baytex Energy USA Ltd. for an order authorizing the drilling, completing and producing of the Larson 3-162-99H well with a bottom hole location approximately 347 feet from the south line and 489 feet from the east line of Section 3, T.162N., R.99W., Divide County, ND, as an exception to the provisions of NDAC § 43-02-03-18, and such other relief as is appropriate.

Case No. 13544: (Continued) Application of Newfield Production Co. for an order amending the field rules for the Fertile Valley-Bakken Pool so as to create and establish a 1280-acre spacing unit comprised of Sections

30 and 31, T.160N., R.102W., Divide County, ND, authorizing the drilling of a total of not more than three wells on said spacing unit and such other relief as is appropriate.

Case No. 13733: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 29 and 32, T.161N., R.96W., Upland-Bakken Pool, Divide County, ND as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 13735: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 12 and 1, T.160N., R.97W., Dolphin and/or Hamlet-Bakken Pool, Divide County, ND as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 13736: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 22, 15, 10 and 3, T.160N., R.95W., Stoneview-Bakken Pool, Divide County, ND as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units, and

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:

October 27, 2010.....106 lines @ .62 = 65.72

TOTAL CHARGE.....\$65.72

Signed Steven J. Andrist
Steven J. Andrist, Publisher

Subscribed and sworn to before me October 27, 2010

Vonni L. Anderson
Vonni L. Anderson
Notary Public, State of North Dakota

VONNI L. ANDERSON
Notary Public
State of North Dakota
My Commission Expires Aug. 2, 2011

OIL AND GAS DIVISION

such other relief as is appropriate.

Case No. 13753: Application of Samson Resources Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 14 and 23, T.163N., R.98W., Blooming Prairie-Bakken Pool, Divide County, ND as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 13754: Application of Samson Resources Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 26 and 35, T.163N., R.98W., Blooming Prairie-Bakken Pool, Divide County, ND as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 13755: Application of Samson Resources Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 27 and 34, T.163N., R.95W., Forthun-Bakken Pool, Divide County, ND as provided by NDCC § 38-08-08, and such other relief as is appropriate.

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

(10-27)