

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

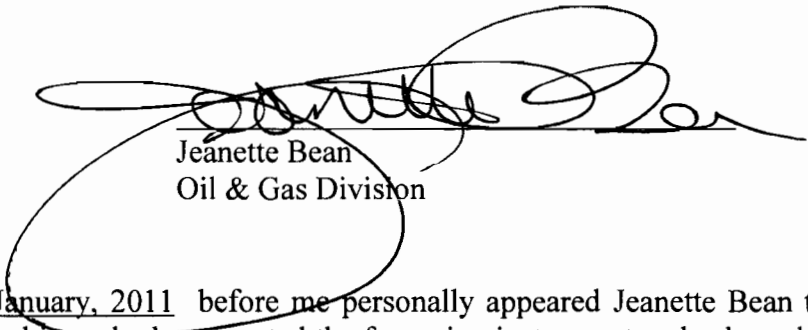
STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

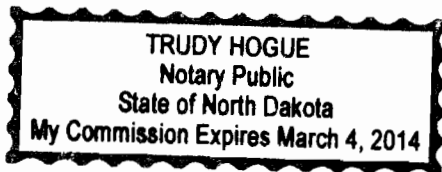
COUNTY OF BURLEIGH

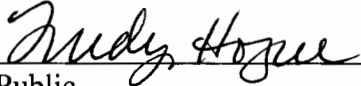
I, Jeanette Bean, being duly sworn upon oath, depose and say: That on the 14th day of January, 2011 enclosed in separate envelopes true and correct copies of the attached Order No. 15911 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck,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

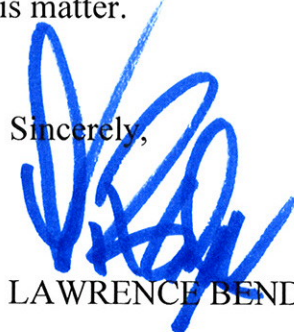
**RE: NDIC CASE NO. 13634
BAYTEX ENERGY USA LTD.**

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*

4829447_1.DOC

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

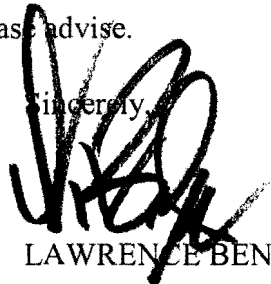


RE: NDIC CASE NO. 13634
Baytex Energy USA Ltd.

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

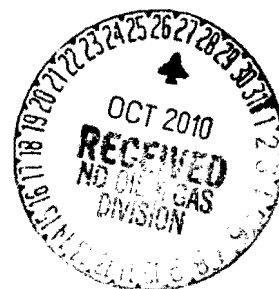
Attorneys & Advisors
main 701.221.4020
fax 701.221.4040
www.fredlaw.com

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, 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.



AFFIDAVIT OF SERVICE BY MAIL

STATE OF NORTH DAKOTA)
) ss.
COUNTY OF BURLEIGH)

Kelsey Glasser, being first duly sworn, deposes and says that on the 26th day of October, 2010, she served the attached:

Application of Baytex Energy USA Ltd.

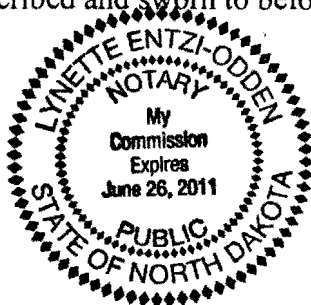
by placing a true and correct copy thereof in an envelope addressed as follows:

See attached Exhibit A

and depositing the same, with postage prepaid, in the United States mail at Bismarck, North Dakota.

KELSEY GLASSER

Subscribed and sworn to before me this 26th day of October, 2010.



Notary Public
My Commission expires:
4824589_1.DOC

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

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

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

FRANK MONTGOMERY
3450 BELMONT
CASPER, WY 82604

STEVE MONTGOMERY
16202 SURREY LN
MAGNOLIA, TX 77355

JULIA FRANCES WATTERS
4642 APPLEWOOD DR
ODESSA, TX 79761

CARLOYN JANICE THURMOND
520 CHATEAU WOODS
PKWY DR
CONROE, TX 77385

MURRY TORGESON
P O BOX 292
CROSBY, ND 58730

EUNICE K TORGENSEN TRUST
11653 HIGHWAY 2,
RAY ND 58849

ANDREW S GUDMUNSON
2121 12TH AVE N
GRAND FORKS, ND 58203

GRACIA GUDMUNSON
9709 CAVELL AVE S
BLOOMINGTON, MN 55438

MARRI B GUDMUNSON
1405 14TH ST SW
MINOT, ND 58701

GERALD A & SHARON
PETERSON
303 3RD AVE SE
CROSBY, ND 58730

MARY DAWKINS
235 N WASSON AVE
WHISTLER, AL 26612

FRANK DAVID ELSIK
711 W ELLIANE
PASADENA, TX 77506

HENRY WUEBKER
13129 HIGH STAR DR
HOUSTON, TX 77072

PERRY COLWELL
2604 S URSILA RD
MONAHANS, TX 79756

ROY G BARTON SR AND OPAL
BARTON REVOCABLE TRUST
BOX 978
HOBBS, NM 88241

SELMER A LARSON ET UX
12790 91ST ST NW
ALAMO, ND 58830

ARLENE MYERS
12885 COUNTY 2 NW
AMBROSE, ND 58833

DEE ANN M STUART
32 CR 5190
BLOOMFIELD, MN 87413

NODANA CORPORATION
P O BOX 1221
WILLISTON, ND 58802

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

EXHIBIT A

Fredrikson

& BYRON, P.A.

October 18, 2010

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



**RE: APPLICATION OF BAYTEX
ENERGY USA LTD. FOR
NOVEMBER 2010 HEARINGS**

Dear Mr. Hicks:

Please find enclosed herewith for filing the APPLICATION OF BAYTEX ENERGY USA LTD.

As you will note, pursuant to N.D. Admin. Code § 43-02-03-88.2, Baytex requests that its witnesses be allowed to participate at the hearing by telephonic means.

Should you have any questions, please advise.

Sincerely,


LAWRENCE BENDER

LB/leo
Enclosure

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

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, 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

STATE OF NORTH DAKOTA)

)ss.

COUNTY OF BURLEIGH)

LAWRENCE BENDER, being first duly sworn on oath, deposes and says that he is the attorney for the applicant named herein, that he has read the foregoing application, knows the contents thereof, and that the same is true to the best of this agent's knowledge and belief.

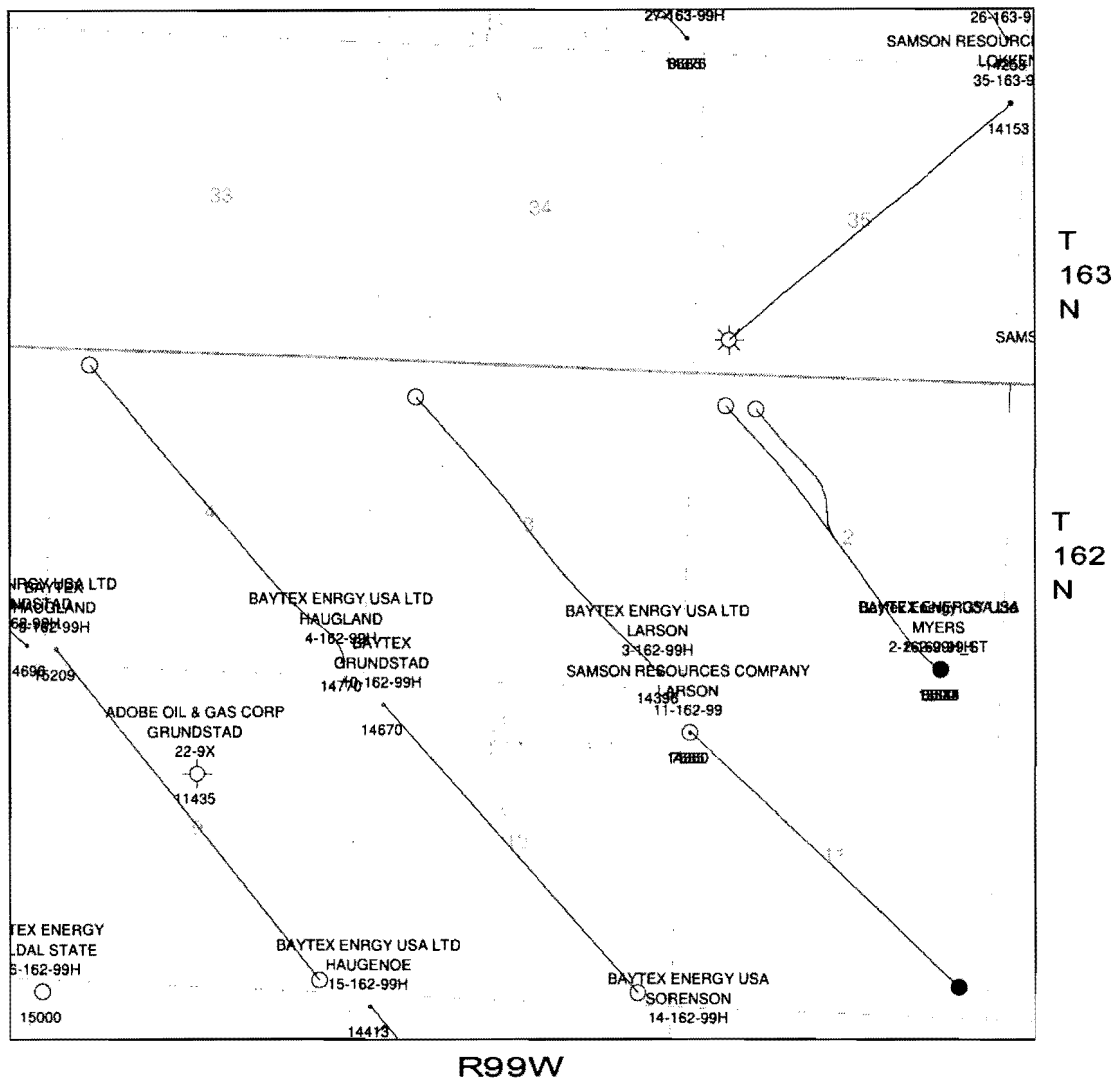
LAWRENCE BENDER

Subscribed and sworn to before me this 18th day of October, 2010.



Lynette Entzi-Odden, Notary Public
My Commission Expires:

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		
WB#		Date:
Scale:	1" = 3000'	15 October 2010

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

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

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

FRANK MONTGOMERY
3450 BELMONT
CASPER, WY 82604

STEVE MONTGOMERY
16202 SURREY LN
MAGNOLIA, TX 77355

JULIA FRANCES WATTERS
4642 APPLEWOOD DR
ODESSA, TX 79761

CARLOYN JANICE THURMOND
520 CHATEAU WOODS
PKWY DR
CONROE, TX 77385

MURRY TORGESON
P O BOX 292
CROSBY, ND 58730

EUNICE K TORGENSEN TRUST
11653 HIGHWAY 2,
RAY ND 58849

ANDREW S GUDMUNSON
2121 12TH AVE N
GRAND FORKS, ND 58203

GRACIA GUDMUNSON
9709 CAVELL AVE S
BLOOMINGTON, MN 55438

MARRI B GUDMUNSON
1405 14TH ST SW
MINOT, ND 58701

GERALD A & SHARON
PETERSON
303 3RD AVE SE
CROSBY, ND 58730

MARY DAWKINS
235 N WASSON AVE
WHISTLER, AL 26612

FRANK DAVID ELSIK
711 W ELLIANE
PASADENA, TX 77506

HENRY WUEBKER
13129 HIGH STAR DR
HOUSTON, TX 77072

PERRY COLWELL
2604 S URSILA RD
MONAHANS, TX 79756

ROY G BARTON SR AND OPAL
BARTON REVOCABLE TRUST
BOX 978
HOBBS, NM 88241

SELMER A LARSON ET UX
12790 91ST ST NW
ALAMO, ND 58830

ARLENE MYERS
12885 COUNTY 2 NW
AMBROSE, ND 58833

DEE ANN M STUART
32 CR 5190
BLOOMFIELD, MN 87413

NODANA CORPORATION
P O BOX 1221
WILLISTON, ND 58802

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

EXHIBIT B

Nov 19 2010



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, Publisher

Subscribed and sworn to before me October 27, 2010

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)