

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 17780
ORDER NO. 20049

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF SM ENERGY CO. FOR AN ORDER AMENDING THE APPLICABLE TO ORDERS FOR THE AMBROSE-BAKKEN POOL TO EXTEND THE POOL TO INCLUDE FROM 50 FEET ABOVE THE TOP OF THE BAKKEN FORMATION TO 100 FEET BELOW THE TOP OF THE THREE FORKS FORMATION, AND AUTHORIZING UP TO FOUR WELLS TO BE DRILLED ON EACH OF FIVE 1280-ACRE SPACING UNITS CONSISTING OF SECTIONS 16 AND 21; SECTIONS 17 AND 20; SECTIONS 28 AND 33; SECTIONS 29 AND 32; AND SECTIONS 30 AND 31, T.163N., R.99W., DIVIDE COUNTY, ND, ELIMINATING ANY TOOL ERROR REQUIREMENT, 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 30th day of May, 2012.
- (2) The witnesses for SM Energy Company (SM Energy) provided telephonic testimony in this matter pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.2. Telephonic Communication Affidavits were received on June 13, 2012; therefore, such testimony may be considered evidence.
- (3) SM Energy made application to the Commission for an order amending the applicable to orders for the Ambrose-Bakken Pool to extend the pool to include from 50 feet above the top of the Bakken Formation to 100 feet below the top of the Three Forks Formation, and authorizing up to four wells to be drilled on each of five 1280-acre spacing units consisting of Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, Township 163 North, Range 99 West, Divide County, North Dakota (Sections 16, 21, 17, 20, 28, 33, 29, 32, 30, and 31), eliminating any tool error requirement, and such other relief as is appropriate.
- (4) Order No. 20381 entered in Case No. 18112, the most recent spacing order for the Ambrose-Bakken Pool, established proper spacing for the development of Zone I at one horizontal well per 640 acres, Zone II at up to three horizontal wells per 640 acres, Zone III at one horizontal well per 800 acres, Zones IV and V at one horizontal well per 1280 acres, Zone VI at up to three

horizontal wells per 1280 acres, Zone VII at up to seven horizontal wells per 1280 acres, and Zone VIII at a minimum of four horizontal wells, up to twelve horizontal wells, per 2080-acres.

(5) Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31 are currently standup 1280-acre spacing units in Zone IV in the Ambrose-Bakken Pool.

(6) SM Energy's idealized development plan for each standup 1280-acre spacing unit described as Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31 is to drill four horizontal wells in the upper Three Forks Formation parallel to the long axis of the spacing unit, with the wells drilled approximately 1300 feet and 2400 feet from the west boundary and 1700 feet and 600 feet from the east boundary. SM Energy intends to utilize common drilling pads where possible. Utilization of horizontal drilling technology as proposed would result in the wells being completed at a location or locations not in compliance with current applicable spacing orders for the Ambrose-Bakken Pool. The horizontal well designs proposed may be preliminary and could be changed for various reasons which is permissible as long as the horizontal well design still justifies the spacing unit.

(7) Allowing such common drilling pads will reduce the expenditure of funds on surface facilities and enhance the economics of production, thereby preventing economic waste and promoting the greatest ultimate recovery of oil and gas from the Ambrose-Bakken Pool. Utilization of such common drilling pads will improve the timing and economics of connecting wells to gas gathering systems thereby reducing gas flaring and will minimize surface disturbance and enhance the aesthetic values resulting from fewer production facilities.

(8) SM Energy requested any tool error in the directional survey equipment when calculating the bottom hole location of any horizontal lateral drilled in the spacing units be waived. The Commission enforces a policy which requires measurement inaccuracies in the directional survey equipment be considered when the angle between the horizontal lateral and the corresponding spacing unit boundary is ten degrees or less. Waiving potential tool error in the directional survey equipment when calculating the bottom hole location of any horizontal lateral in spacing units which allow multiple horizontal wells will allow said spacing units to be more efficiently developed.

(9) SM Energy estimates the additional oil and gas to be recovered by each additional well will pay for the cost of drilling and completing the well and yield a profit, hence, each additional well will be economic.

(10) SM Energy requested the base of the Ambrose-Bakken Pool stratigraphic definition be changed to include the interval down to 100 feet below the top of the Three Forks Formation.

(11) The current Ambrose-Bakken Pool definition is that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 50 feet below the top of the Three Forks Formation.

(12) SM Energy has performed log analyses and calculated oil saturations in the Three Forks Formation deeper than the current pool definition and desires to target and attempt to exploit these potential reserves.

(13) There were no objections to this application.

(14) If SM Energy's activities are successful, greater ultimate recovery of oil and gas from the pool will be achieved which will prevent waste and the drilling of unnecessary wells in a manner which will not have a detrimental effect on correlative rights.

(15) In order to prevent waste, avoid the drilling of unnecessary wells, and protect correlative rights, this application should be approved.

IT IS THEREFORE ORDERED:

(1) Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby established as standup 1280-acre spacing units for the exclusive purpose of drilling up to four horizontal wells within each said spacing unit within the Ambrose-Bakken Pool and Zone VIII is hereby redefined to include said spacing units. Existing and future vertical and directional wells drilled within the spacing units herein established shall not be subject to this order.

(2) The Director is hereby authorized to exercise continuing jurisdiction in this matter to determine whether a horizontal well proposed or drilled upon the 1280-acre spacing units herein established has justified the creation of such unit, to require amendments or modifications to the permit to drill for such horizontal well, and to deny a permit to drill in the event a well is proposed to be drilled in a manner inconsistent with the evidence that justified such spacing unit.

(3) Provisions established herein for the Ambrose-Bakken Pool are for the exclusive purpose of drilling horizontal wells. Existing and future vertical and directional wells drilled within the area defined in paragraph (4) below shall not be subject to this order.

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

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 25, 26, 27, 28, 29, 32, 33, 34, 35 AND 36,

TOWNSHIP 164 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 30 AND 31,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 AND 36,

TOWNSHIP 163 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 6, 7, 18, 19, 30 AND 31,

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 1 THROUGH 36, INCLUSIVE,

TOWNSHIP 162 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 6, 7, 18, 19, 30 AND 31.

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

ZONE I (640H)

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 26, 27, 34 AND 35,

TOWNSHIP 163 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 30 AND 31,

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 2, 3, 10, 11, 13, 14, 15, 22, 23, 24, 25 AND 36.

ZONE II (3/640H)

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 4, 5, 8 AND 9.

ZONE III (800H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 25, 26, 27, 28, 29, 32, 33, 34, 35 AND 36.

ZONE IV (7/800H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 30 AND 31.

ZONE V (1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 1, 2, 3, 4, 5, 8, 9, 10, 11, 12, 13, 14, 23, 24, 25 AND 36.

ZONE VI (1280H-LAYDOWN-OVERLAPPING 640S)

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 4 AND 5.

ZONE VII (3/1280H-STANDUP)

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 6, 7, 16, 17, 18, 19, 20, 21, 26, 27, 28, 29, 30, 31, 32, 33, 34 AND 35,

TOWNSHIP 162 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 30 AND 31.

ZONE VIII (4/1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 16, 17, 20, 21, 28, 29, 30, 31, 32 AND 33.

ZONE IX (7/1280H-STANDUP)

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

TOWNSHIP 163 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 6, 7, 18 AND 19,

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 1 AND 12,

TOWNSHIP 162 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 6, 7, 18 AND 19.

ZONE X (4-12/2080H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 25, 26, 27, 28, 29, 32, 33, 34, 35 AND 36,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 1, 2, 3, 4, 5, 8, 9, 10, 11 AND 12.

ZONE XI (13/2560H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 13, 14, 23, 24, 25, 26, 35 AND 36.

(6) The Ambrose-Bakken Pool is hereby defined as that accumulation of oil and gas found in the interval from 50 feet above the top of the Bakken Formation to 100 feet below the top of the Three Forks Formation within the limits of the field as set forth above.

(7) The proper spacing for the development of Zone I in the Ambrose-Bakken Pool is hereby set at one horizontal well per 640-acre spacing unit.

(8) All portions of the well bore not isolated by cement of any horizontal well in Zone I in the Ambrose-Bakken Pool shall be no closer than 500 feet to the boundary of the spacing unit the lateral is most nearly parallel to and 200 feet to the boundary of the spacing unit the lateral is most nearly perpendicular to. Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.

(9) Spacing units hereafter created in Zone I in the Ambrose-Bakken Pool shall consist of a governmental section.

(10) Sections 14, 23, 26, and 35, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated a standup 2560-acre spacing unit in Zone XI in the Ambrose-Bakken Pool.

(11) Zone I in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(12) The proper spacing for the development of Zone II in the Ambrose-Bakken Pool is hereby set at up to three horizontal wells per 640-acre spacing unit.

(13) All portions of the well bore not isolated by cement of any horizontal well in Zone II in the Ambrose-Bakken Pool shall be no closer than 500 feet to the boundary of the spacing unit the lateral is most nearly parallel to and 200 feet to the boundary of the spacing unit the lateral is most nearly perpendicular to. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(14) Spacing units hereafter created in Zone II in the Ambrose-Bakken Pool shall consist of a governmental section.

(15) Sections 4 and 5, Township 162 North, Range 99 West, Divide County, North Dakota, are also designated a laydown 1280-acre spacing unit in Zone VI in the Ambrose-Bakken Pool.

(16) Zone II in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(17) The proper spacing for the development of Zone III in the Ambrose-Bakken Pool is hereby set at one horizontal well per standup 800-acre spacing unit.

(18) All portions of the well bore not isolated by cement of any horizontal well in Zone III in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.

(19) Sections 25 and 36; Sections 26 and 35; Sections 27 and 34; Sections 28 and 33; and Sections 29 and 32, Township 164 North, Range 99 West, Divide County, North Dakota, are hereby designated standup 800-acre spacing units in Zone III in the Ambrose-Bakken Pool.

(20) Spacing units hereafter created in Zone III in the Ambrose-Bakken Pool shall be standup spacing units designated by the Commission.

(21) Sections 25 and 36, Township 164 North, Range 99 West and Sections 1 and 12, Township 163 North, Range 99 West; Sections 26 and 35, Township 164 North, Range 99 West and Sections 2 and 11, Township 163 North, Range 99 West; Sections 27 and 34, Township 164 North, Range 99 West and Sections 3 and 10, Township 163 North, Range 99 West; Sections 28 and 33, Township 164 North, Range 99 West and Sections 4 and 9, Township 163 North, Range 99 West; and Sections 29 and 32, Township 164 North, Range 99 West and Sections 5 and 8, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated standup 2080-acre spacing units in Zone X in the Ambrose-Bakken Pool.

(22) Zone III in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(23) The proper spacing for the development of Zone IV in the Ambrose-Bakken Pool is hereby set at up to seven horizontal wells per standup 800-acre spacing unit.

(24) All portions of the well bore not isolated by cement of any horizontal well in Zone IV in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(25) Sections 30 and 31, Township 164 North, Range 98 West, Divide County, North Dakota, are hereby designated a standup 800-acre spacing unit in Zone IV in the Ambrose-Bakken Pool.

(26) Spacing units hereafter created in Zone IV in the Ambrose-Bakken Pool shall be standup spacing units designated by the Commission.

(27) Zone IV in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(28) The proper spacing for the development of Zone V in the Ambrose-Bakken Pool is hereby set at one horizontal well per standup 1280-acre spacing unit.

(29) All portions of the well bore not isolated by cement of any horizontal well in Zone V in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.

(30) Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; Sections 4 and 9; Sections 5 and 8; Sections 13 and 24; Sections 14 and 23; and Sections 25 and 36, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone V in the Ambrose-Bakken Pool.

(31) Spacing units hereafter created in Zone V in the Ambrose-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

(32) Sections 25 and 36, Township 164 North, Range 99 West and Sections 1 and 12, Township 163 North, Range 99 West; Sections 26 and 35, Township 164 North, Range 99 West and Sections 2 and 11, Township 163 North, Range 99 West; Sections 27 and 34, Township 164 North, Range 99 West and Sections 3 and 10, Township 163 North, Range 99 West; Sections 28 and 33, Township 164 North, Range 99 West and Sections 4 and 9, Township 163 North, Range 99 West; and Sections 29 and 32, Township 164 North, Range 99 West and Sections 5 and 8, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated standup 2080-acre spacing units in Zone X in the Ambrose-Bakken Pool.

(33) Sections 13, 24, 25, and 36; and Sections 14, 23, 26, and 35, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated standup 2560-acre spacing units in Zone XI in the Ambrose-Bakken Pool.

(34) Zone V in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(35) The proper spacing for the development of Zone VI in the Ambrose-Bakken Pool is hereby set at one horizontal well per laydown 1280-acre spacing unit.

(36) All portions of the well bore not isolated by cement of any horizontal well in Zone VI in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.

(37) Sections 4 and 5, Township 162 North, Range 99 West, Divide County, North Dakota, are hereby designated a laydown 1280-acre spacing unit in Zone VI in the Ambrose-Bakken Pool.

(38) Spacing units hereafter created in Zone VI in the Ambrose-Bakken Pool shall be laydown spacing units consisting of two adjacent governmental sections which overlap 640-acre spacing units.

(39) Section 4; and Section 5, Township 162 North, Range 99 West, Divide County, North Dakota, are also designated 640-acre spacing units in Zone II in the Ambrose-Bakken Pool.

(40) Zone VI in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(41) The proper spacing for the development of Zone VII in the Ambrose-Bakken Pool is hereby set at up to three horizontal wells per standup 1280-acre spacing unit.

(42) All portions of the well bore not isolated by cement of any horizontal well in Zone VII in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(43) Sections 6 and 7; Sections 16 and 21; Sections 17 and 20; Sections 18 and 19; Sections 26 and 35; Sections 27 and 34; Sections 28 and 33; Sections 29 and 32; Sections 30 and 31, Township 162 North, Range 99 West; and Sections 30 and 31, Township 162 North, Range 98 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone VII in the Ambrose-Bakken Pool.

(44) Spacing units hereafter created in Zone VII in the Ambrose-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

(45) Zone VII in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(46) The proper spacing for the development of Zone VIII in the Ambrose-Bakken Pool is hereby set at up to four horizontal wells per standup 1280-acre spacing unit.

(47) All portions of the well bore not isolated by cement of any horizontal well in Zone VIII in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(48) Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone VIII in the Ambrose-Bakken Pool.

(49) Spacing units hereafter created in Zone VIII in the Ambrose-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

(50) Zone VIII in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(51) The proper spacing for the development of Zone IX in the Ambrose-Bakken Pool is hereby set at up to seven horizontal wells per standup 1280-acre spacing unit.

(52) All portions of the well bore not isolated by cement of any horizontal well in Zone IX in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(53) Sections 15 and 22, Township 163 North, Range 99 West; Sections 6 and 7; Sections 18 and 19, Township 163 North, Range 98 West; Sections 1 and 12, Township 162 North, Range 99 West; Sections 6 and 7; and Sections 18 and 19, Township 162 North, Range 98 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone IX in the Ambrose-Bakken Pool.

(54) Spacing units hereafter created in Zone IX in the Ambrose-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

(55) Zone IX in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(56) The proper spacing for the development of Zone X in the Ambrose-Bakken Pool is hereby set at a minimum of four horizontal wells, up to twelve horizontal wells, per standup 2080-acre spacing unit.

(57) All portions of the well bore not isolated by cement of any horizontal well in Zone X in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(58) Sections 25 and 36, Township 164 North, Range 99 West and Sections 1 and 12, Township 163 North, Range 99 West; Sections 26 and 35, Township 164 North, Range 99 West

and Sections 2 and 11, Township 163 North, Range 99 West; Sections 27 and 34, Township 164 North, Range 99 West and Sections 3 and 10, Township 163 North, Range 99 West; Sections 28 and 33, Township 164 North, Range 99 West and Sections 4 and 9, Township 163 North, Range 99 West; and Sections 29 and 32, Township 164 North, Range 99 West and Sections 5 and 8, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated standup 2080-acre spacing units in Zone X in the Ambrose-Bakken Pool.

(59) A mirror offset horizontal well to the Le Mans #11-2-163-99H well (File No. 20341) shall be drilled and completed in the standup 800-acre spacing unit described as Sections 26 and 35, Township 164 North, Range 99 West; Divide County, North Dakota; a mirror offset horizontal well to the Biscayne #0310-04TFH well (File No. 21363) shall be drilled and completed in the standup 800-acre spacing unit described as Sections 27 and 34, Township 164 North, Range 99 West; Divide County, North Dakota; a mirror offset horizontal well to the Skyline #4-9-163-99H well (File No. 20646) shall be drilled and completed in the standup 800-acre spacing unit described as Sections 28 and 33, Township 164 North, Range 99 West; Divide County, North Dakota; and a mirror offset horizontal well to the Thomte #8-5-163-99H well (File No. 20837) shall be drilled and completed in the standup 800-acre spacing unit described as Sections 29 and 32, Township 164 North, Range 99 West, Divide County, North Dakota, within twelve months of completing the first horizontal well in each respective standup 2080-acre spacing unit. A minimum of four horizontal wells shall be drilled and completed within each proposed standup 2080-acre spacing unit within twenty-four months from when the first horizontal well is completed in each respective standup 2080-acre spacing unit. If these conditions are not met, the Commission shall schedule the matter for consideration to reduce the size of the spacing unit.

(60) Spacing units hereafter created in Zone X in the Ambrose-Bakken Pool shall be standup spacing units designated by the Commission.

(61) Sections 25 and 36; Sections 26 and 35; Sections 27 and 34; Sections 28 and 33; and Sections 29 and 32, Township 164 North, Range 99 West, Divide County, North Dakota, are also designated standup 800-acre spacing units in Zone III in the Ambrose-Bakken Pool.

(62) Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; Sections 4 and 9; and Sections 5 and 8, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated standup 1280-acre spacing units in Zone V in the Ambrose-Bakken Pool.

(63) Zone X in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(64) The proper spacing for the development of Zone XI in the Ambrose-Bakken Pool is hereby set at up to thirteen horizontal wells per standup 2560-acre spacing unit.

(65) All portions of the well bore not isolated by cement of any horizontal well in Zone XI in the Ambrose-Bakken Pool shall be no closer than 500 feet to the east or west boundary and 200 feet to the north or south boundary of the spacing unit. Measurement inaccuracies in the directional survey equipment when calculating the bottom hole location in a horizontal well need not be considered.

(66) Sections 13, 24, 25, and 36; and Sections 14, 23, 26, and 35, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated standup 2560-acre spacing units in Zone XI in the Ambrose-Bakken Pool.

(67) Spacing units hereafter created in Zone XI in the Ambrose-Bakken Pool shall be standup spacing units consisting of four adjacent governmental sections.

(68) Section 26; and Section 35, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated 640-acre spacing units in Zone I in the Ambrose-Bakken Pool.

(69) Sections 13 and 24; Sections 14 and 23; and Sections 25 and 36, Township 163 North, Range 99 West, Divide County, North Dakota, are also designated standup 1280-acre spacing units in Zone V in the Ambrose-Bakken Pool.

(70) Zone XI in the Ambrose-Bakken Pool shall not be extended except by further order of the Commission after due notice and hearing.

(71) The operator of any horizontally drilled well in the Ambrose-Bakken Pool shall cause to be made a directional survey of the well bore. The directional survey contractor shall file a certified survey with the Commission within 30 days after completion of the well in accordance with NDAC Section 43-02-03-25. The survey shall be of sufficient quality to enable the Commission to determine the entire completion location of the well and its terminus.

(72) The Director is hereby authorized to exercise continuing jurisdiction to determine whether any well proposed or drilled upon any spacing unit herein established has justified the creation of such unit, to require amendments or modifications to the permit to drill for such well, and to deny a permit to drill in the event a well is proposed to be drilled in a manner inconsistent with the evidence that justified the spacing requirements in the Ambrose-Bakken Pool.

(73) 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-Bakken 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-Bakken Pool as the Commission deems appropriate.

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

(75) The following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the Ambrose-Bakken 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 NDAC Section 43-02-03-21. After cementing, the casing shall be tested by application of pump pressure of at least 1500 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;

(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 a manner as to protect and isolate all formations containing oil and/or gas, protect the pipe through salt sections encountered, and 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 1500 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; a tubing packer must also be utilized in flowing wells unless a waiver is obtained from the Director after demonstrating the casing will not be subjected to excessive pressure or corrosion; 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.

(76) The gas-oil ratio of all wells not connected to a gas gathering system shall be measured annually during the month of May. The reservoir pressure shall be measured in any well completed in the Ambrose-Bakken Pool if deemed necessary by the Director. Drill stem test pressures are acceptable for determining reservoir pressure. Pressure measurements shall be made at or adjusted to a subsea datum of 5740 feet. All gas-oil ratio and reservoir pressure determinations shall be made by methods approved by the Director and reported to the Director within 15 days following the end of the month in which they are determined. The Director is authorized to waive these requirements if the necessity therefore can be demonstrated to his satisfaction. All additional gas-oil ratio and reservoir pressure determinations conducted on any well, but not specially required herein, shall be reported to the Director within 15 days following the end of the month in which they are determined.

(77) No salt water, drilling mud, crude oil, or waste oil shall be stored in pits in this field, except in an emergency, and approved by the Director.

(78) All wells in the Ambrose-Bakken Pool shall be allowed to produce at a maximum efficient rate through March 31, 2013.

(79) After March 31, 2013, all wells in the Ambrose-Bakken Pool shall be allowed to produce at a maximum efficient 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. The Director is authorized to issue an administrative order allowing unrestricted production at a maximum efficient rate for a period not to exceed 120 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, if the necessity therefor can be demonstrated to his satisfaction.

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

(81) This order shall cover all of the Ambrose-Bakken Pool, common source of supply of crude oil and/or natural gas as herein defined, and continues 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 19th day of November, 2012.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

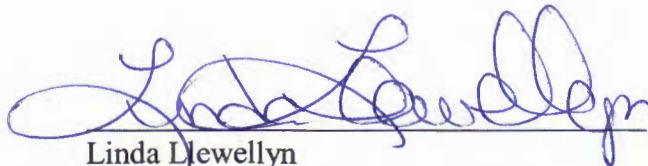
STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

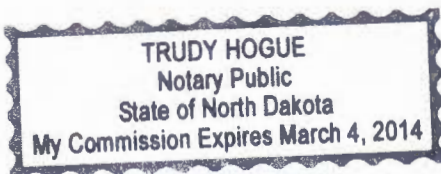
I, Linda Llewellyn, being duly sworn upon oath, depose and say: That on the 7th day of December, 2012 enclosed in separate envelopes true and correct copies of the attached Order No. 20049 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 17780:

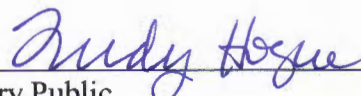
JOHN MORRISON
CROWLEY FLECK PLLP
PO BOX 2798
BISMARCK ND 58502-2798



Linda Llewellyn
Oil & Gas Division

On this 7th day of December, 2012 before me personally appeared Linda Llewellyn 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

Kadrmass, Bethany R.

From: Lisa Herberholz <lherberholz@crowleyfleck.com>
Sent: Wednesday, June 13, 2012 4:44 PM
To: Hicks, Bruce E.
Cc: Kadrmass, Bethany R.; Heilman, Tracy A.
Subject: Telephonic Affidavits
Attachments: SM - Hilton Telephonic Aff.pdf; SM - Bachman Telephonic Aff.pdf; SM - Carroll Telephonic Aff.pdf; SM - Drange Telephonic Aff.pdf; SM - Heringer Telephonic Aff.pdf; SM - Hill Telephonic Aff.pdf

Please see the attached telephonic affidavits in Case Nos. 17780, 17781, 17359 and 17437. Thank you.

Lisa

CROWLEY | FLECK PLLP
ATTORNEYS

Lisa Herberholz

Administrative Assistant

Crowley Fleck PLLP

400 East Broadway Avenue, Suite 600

P.O. Box 2798

Bismarck, ND 58502

Direct 701.224.7538

Fax 701.222.4853

✉ lherberholz@crowleyfleck.com

This electronic mail transmission may constitute an attorney-client communication that is privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If you have received this electronic mail transmission in error, please delete it from your system without copying it, and notify the sender by reply e-mail or by calling Crowley Fleck PLLP, so that our address record can be corrected.

TELEPHONIC COMMUNICATION AFFIDAVIT

Industrial Commission of North Dakota

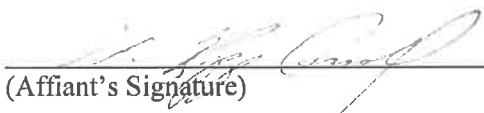
Oil and Gas Division

600 East Boulevard, Dept. 405

Bismarck, ND 58505-0840

This affidavit is made to comply with North Dakota Administrative Code Section 43-02-03-88.2.

I, Kipp Carroll, do hereby confirm that I presented testimony under oath in North Dakota Industrial Commission Case Numbers 17780 and 17359 on May 30, 2012. My testimony was presented by telephone from (406) 867-8920, SM Energy, 550 North 31st Street, Suite 500, Billings, Montana, 59103-7168.


(Affiant's Signature)

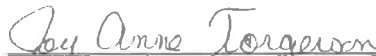
STATE OF MONTANA)
) ss.
COUNTY OF YELLOWSTONE)

On June 6, 2012, Kipp Carroll, known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.

(S E A L)



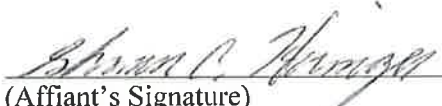
JOY ANNE TORGERSON
NOTARY PUBLIC for the
State of Montana
Residing at Billings, MT
My Commission Expires
October 09, 2012


Notary Public Joy Anne Torgerson
State of Montana, County of Yellowstone
My Commission Expires: October 09, 2012

TELEPHONIC COMMUNICATION AFFIDAVIT
Industrial Commission of North Dakota
Oil and Gas Division
600 East Boulevard, Dept. 405
Bismarck, ND 58505-0840

This affidavit is made to comply with North Dakota Administrative Code Section 43-02-03-88.2.

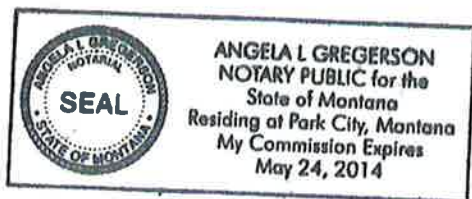
I, Shawn Heringer, do hereby confirm that I presented testimony under oath in North Dakota Industrial Commission Case Numbers 17780, 17359 and 17437 on May 30, 2012. My testimony was presented by telephone from (406) 867-8920, SM Energy, 550 North 31st Street, Suite 500, Billings, Montana, 59103-7168.



(Affiant's Signature)

STATE OF MONTANA)
) ss.
COUNTY OF YELLOWSTONE)

On June 6, 2012, Shawn Heringer, known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.

(S E A L)




Notary Public
State of Montana, County of ~~Yellowstone~~ Stillwater
My Commission Expires: May 24, 2014

TELEPHONIC COMMUNICATION AFFIDAVIT
Industrial Commission of North Dakota
Oil and Gas Division
600 East Boulevard, Dept. 405
Bismarck, ND 58505-0840

This affidavit is made to comply with North Dakota Administrative Code Section 43-02-03-88.2.

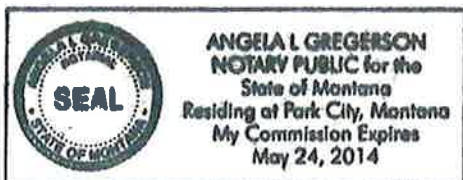
I, Garth Hill, do hereby confirm that I presented testimony under oath in North Dakota Industrial Commission Case Numbers 17780 and 17359 on May 30, 2012. My testimony was presented by telephone from (406) 867-8920, SM Energy, 550 North 31st Street, Suite 500, Billings, Montana, 59103-7168.



(Affiant's Signature)

STATE OF MONTANA)
) ss.
COUNTY OF YELLOWSTONE)

On June 11th, 2012, Garth Hill, known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that he executed the same as a free act and deed.

(S E A L)




Notary Public
State of Montana, County of Yellowstone Stillwater
My Commission Expires: May 24, 2014

**BEFORE THE NORTH DAKOTA
INDUSTRIAL COMMISSION**

CASE NO. 17780

**APPLICATION FOR AMENDING THE
AMBROSE-BAKKEN POOL TO EXTEND THE POOL
TO INCLUDE FROM 50 FEET ABOVE THE BAKKEN
FORMATION TO 100 FEET BELOW THE TOP OF THE
THREE FORKS FORMATION AND AUTHORIZATION
FOR DRILLING UP TO FOUR WELLS ON EACH OF
FIVE 1280-ACRE SPACING UNITS
AMBROSE-BAKKEN POOL**

**Sections 16 and 21; Sections 17 and 20;
Sections 28 and 33; Sections 29 and 32; and
Sections 30 and 31, T.163N., R.99W.,
Divide County, ND**

May 30, 2012

SM ENERGY COMPANY



CASE NO. 17780

INDEX

Exhibit A	Spacing Unit/Ownership Map
Exhibit B	Three Forks Structure Map
Exhibit C	Upper Three Forks Isopach
Exhibit D	Cross Section
Exhibit E	Bakken Reservoir Data & Volumetrics
Exhibit F	Well Development Plan

Attachments:

- Example Wellbore Schematic (1 page)**
- Monthly Production Data (2 page)**

① Summary Ownership:
1280 Acre Unit – Sec. 16 & 21
T.163N., R.99 W.

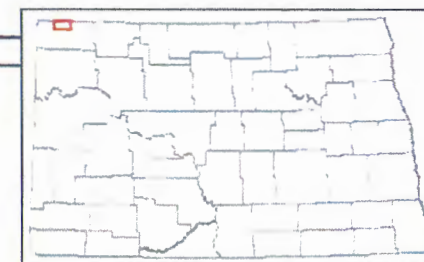
	GWl %
SM Energy Company	68.2291700
Armstrong Resources LLC	18.7500000
Burlington Resources Oil & Gas Co.	8.7500000
Armstrong Oil & Gas, Inc.	2.0833300
David Gjovig, et al	2.1875000
	100.0000000

② Summary Ownership:
1280 Acre Unit – Sec. 17 & 20
T.163N., R.99 W.

	GWl %
SM Energy Company	85.8697000
Samson Resources Company	3.5218400
Baytex Energy USA	2.5156000
Williston Hunter Canada, Inc.	0.6708200
Marcin Production LLC	1.6366900
Wolf Energy LLC	0.8183500
Ben Flieger	0.8183500
Armalee, LLC	0.2086500
G4, LLC	0.5140700
Geronimo Holding Corp.	0.5140700
Markham Gjovig, et al	2.9118600
	100.0000000

③ Summary Ownership:
1280 Acre Unit – Sec. 28 & 33
T.163N., R.99 W.

	GWl %
SM Energy Company	45.7812500
Burlington Resources Oil & Gas	10.9375000
Armstrong Resources	4.6875000
Samson Resources Company	25.3252000
Northern Oil & Gas	7.2984400
Williston Hunter Canada, Inc.	1.8476600
Petro-Sentinal, LLC	1.1476300
RKW Energy, LLC	0.1232400
Ashwood Resources LLC	0.5859400
Moncrieff Oil Properties, LLC	0.3125000
David L Godal	1.5625000
Lario Oil & Gas Company	0.2343800
Cody Oil & Gas Corp.	0.1040800
Albert G. Metcalfe III	0.0521800
	100.0000000

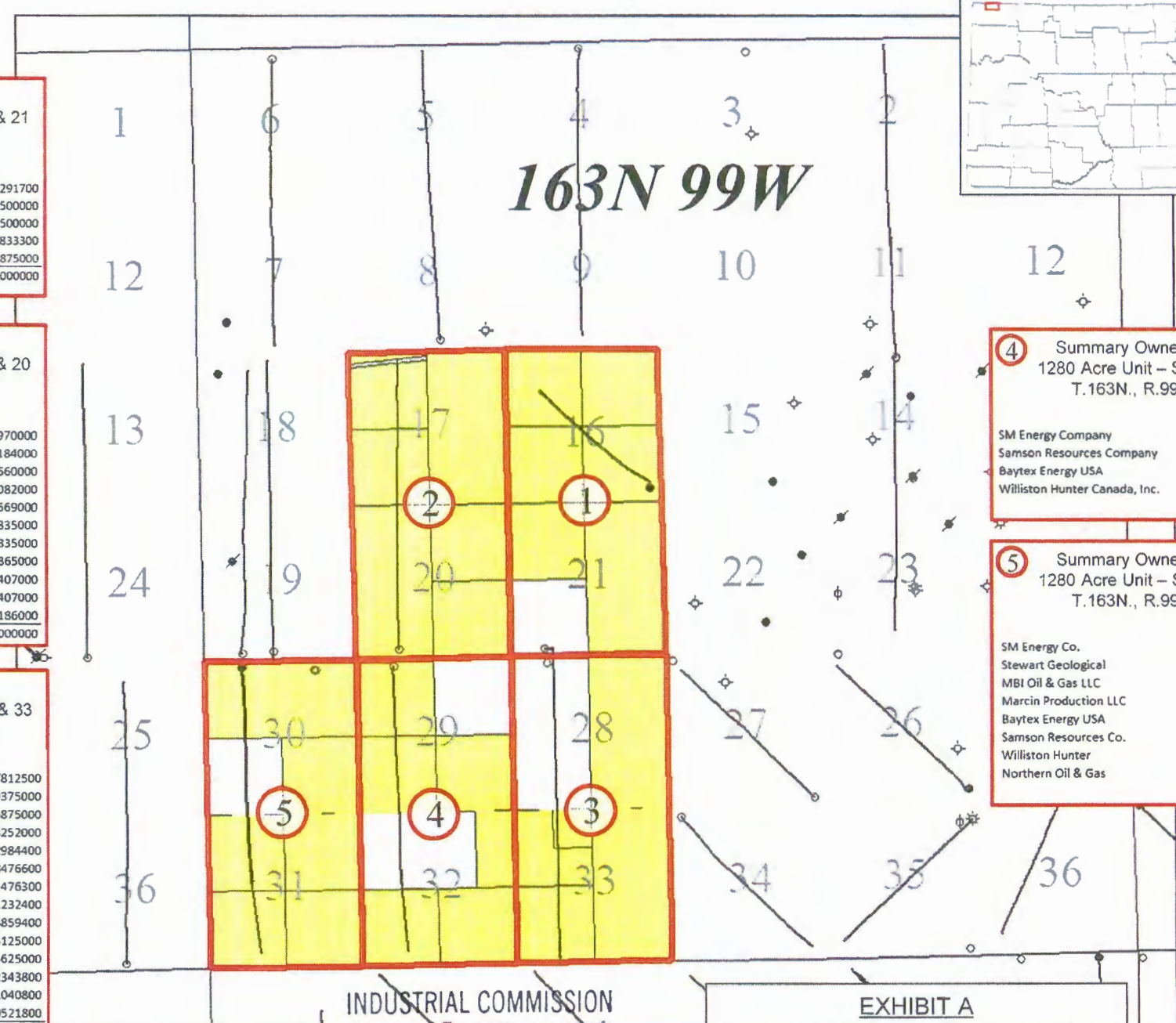


④ Summary Ownership:
1280 Acre Unit – Sec. 29 & 32
T.163N., R.99 W.

	GWl %
SM Energy Company	54.5138900
Samson Resources Company	23.8802100
Baytex Energy USA	17.0572900
Williston Hunter Canada, Inc.	4.5486100
	100.0000000

⑤ Summary Ownership:
1280 Acre Unit – Sec. 30 & 31
T.163N., R.99 W.

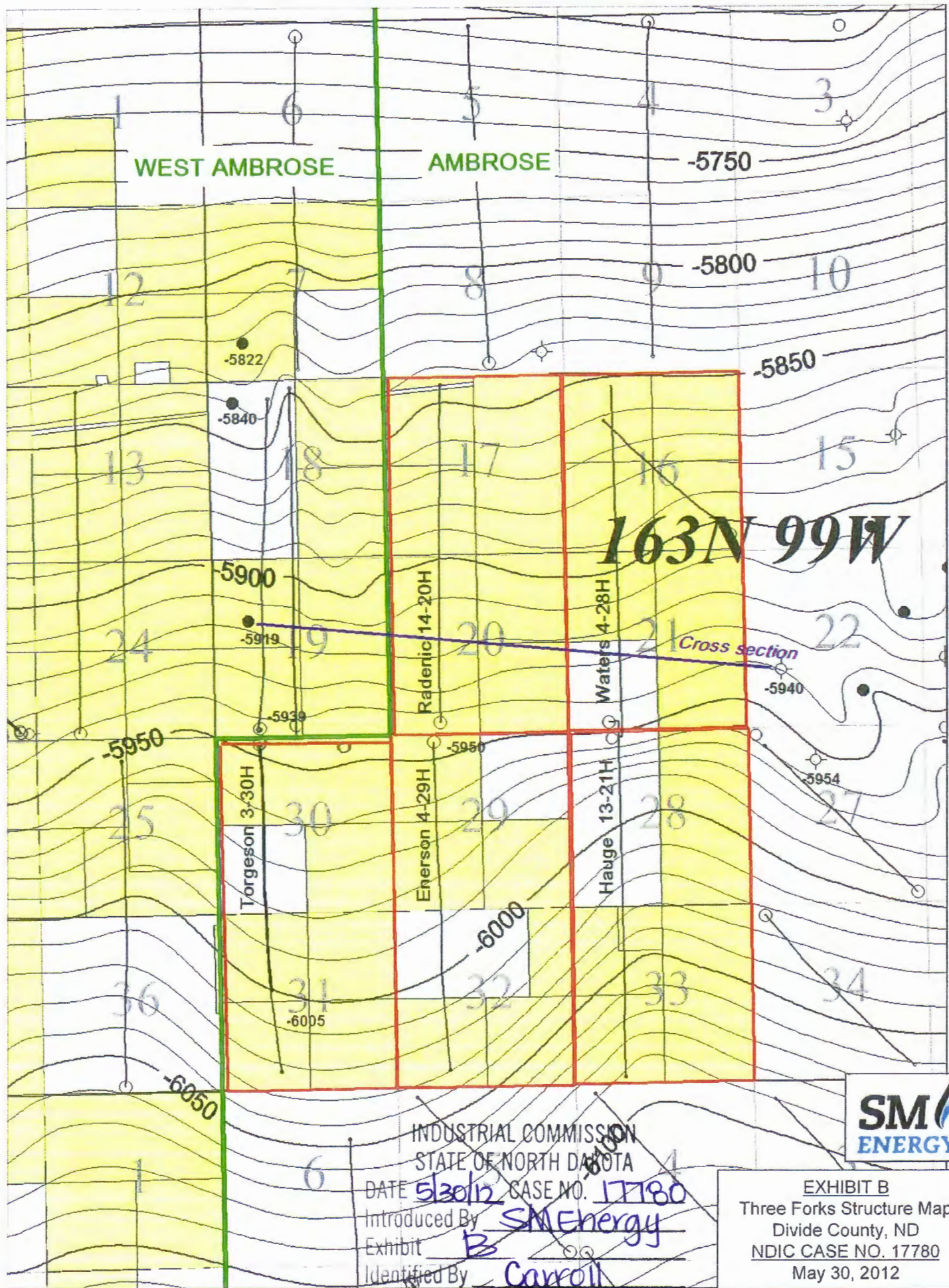
	GWl %
SM Energy Co.	75.0928700
Stewart Geological	3.7474000
MBI Oil & Gas LLC	5.0973400
Marcin Production LLC	0.6245700
Baytex Energy USA	4.6559200
Samson Resources Co.	6.5182900
Williston Hunter	1.2415800
Northern Oil & Gas	3.0220300
	100.0000000



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 5/30/12 CASE NO. 17180
Introduced By SM Energy
Exhibit A
Identified By Heringer

EXHIBIT A
Spacing Unit & Tract Ownership Map
Divide County, ND
NDIC CASE NO. 17780
May 30, 2012

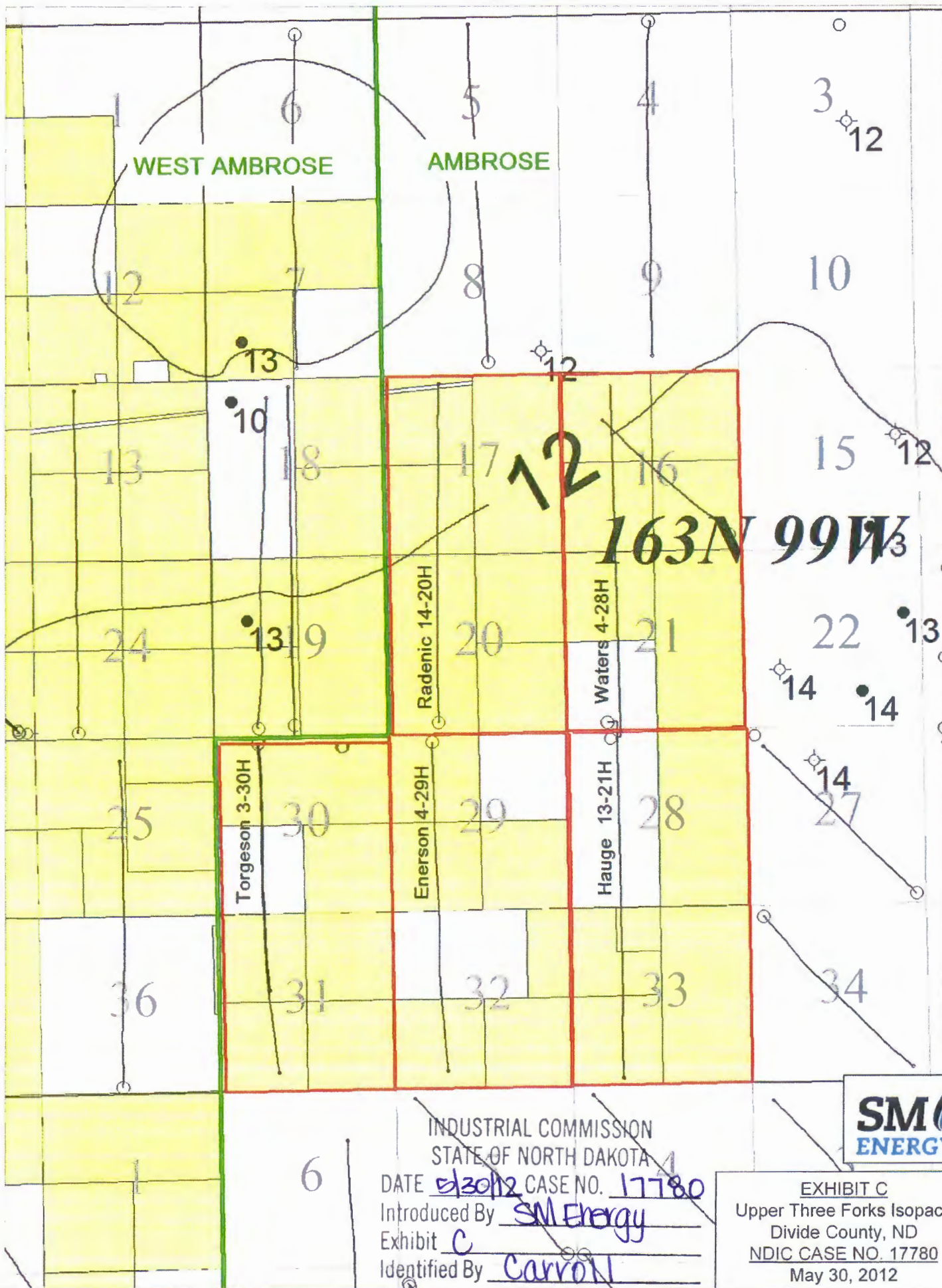




INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 5/30/12 CASE NO. 17780
Introduced By SM Energy
Exhibit B
Identified By Carroll



EXHIBIT B
Three Forks Structure Map
Divide County, ND
NDIC CASE NO. 17780
May 30, 2012



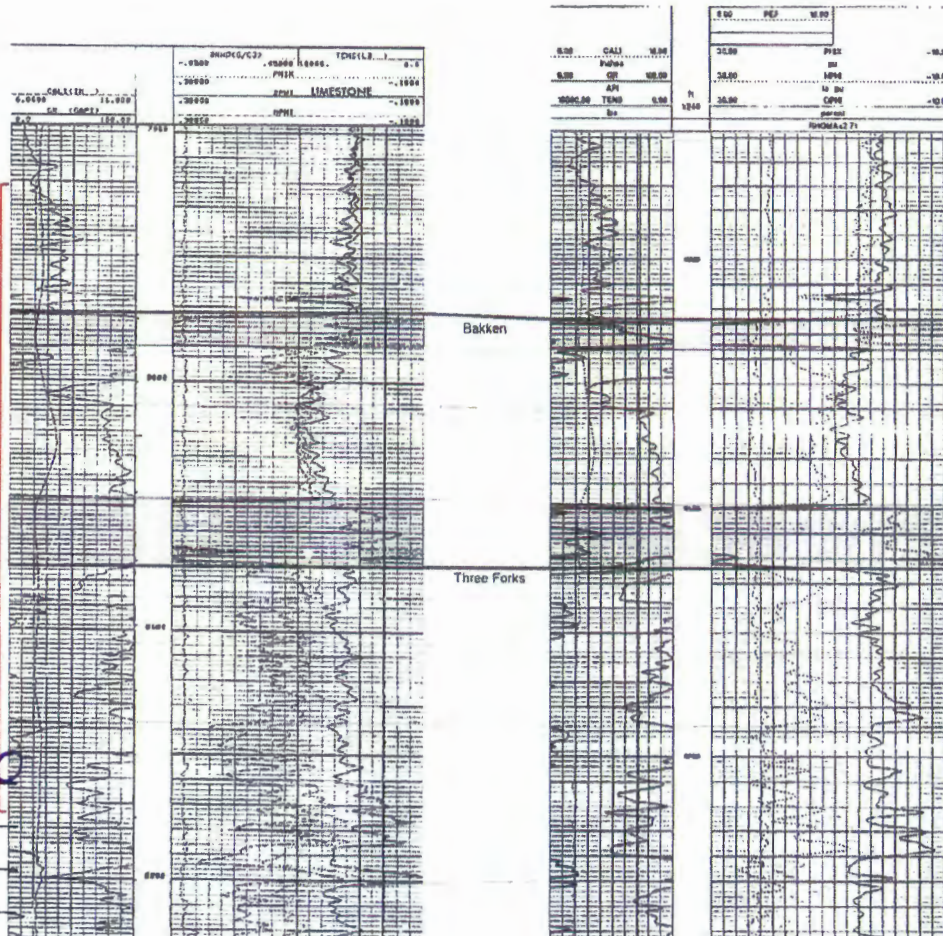
33023003580000

33023003600000

GLG ENERGY L P
PEDERSON 12-19 2
TWP: 163 N - Range: 99 W - Sec. 19

EOG INCORPORATED
BUBLITZ 1-22
TWP: 163 N - Range: 99 W - Sec. 22

Stratigraphic interval
defined as
Bakken/Three Forks



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

DATE 5/30/12 CASE NO. 17780

Introduced By SM Energy

Exhibit D

Identified By Carroll



EXHIBIT D
Cross Section
Divide County, ND
NDIC CASE NO. 17780
May 30, 2012

NDIC CASE 17780
EXHIBIT E
Ambrose-Bakken Pool
Amend Field Rules
Sections 16, 17, 20, 21, 28, 29, 30,
Township 163 North, Range 99 West
Divide County, ND

Reservoir, Fluid Data, and Volumetrics	
Reservoir	Three Forks (Bakken Pool)
Estimated Pressure	4,230 psia @ 8,134' TVD (0.52 psi/ft)
Estimated Bubble Point	1,476 psia
Estimated Temperature	190° F
Estimated Porosity	7%
Measured Permeability	Not available
Measured Water salinity	260,023 mg/L
Reservoir Drive Mechanism	Depletion drive
Measured Oil Gravity	42.5° API @ 60° F
Measured Oil Pour Point	-40° F
Estimated Oil Saturation	70%
Estimated Net Pay Thickness	15 feet
Estimated Area	1280 acres
Estimated B _o	1.28 RB/STB
Estimated OOIP	5.70 MMBO
Estimated Recovery Factor	6.4%, single well
Estimated GOR	550 SCF/BBL
Estimated Recoverable Reserves	365 MBO, single well

Four-Well Volumetrics	
Estimated Recoverable Reserves	1,460 MBO
Estimated Recovery Factor	25.6%

Disposition of Fluids

Oil—purchased by Sunoco (formerly Texon LP) via Great Northern Trucking

Gas—Three wells selling gas to Sterling Energy Company, two wells are flared

Water—shipped via pipeline to the Wolter 16-23 SWD, operated by SM Energy

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 5/20/12 CASE NO. 17780
Introduced By SM Energy
Exhibit E
Identified By Hill

Gas Sales

The nearest gas gatherer, Sterling Energy Company, currently does not have enough capacity to accept gas from the Hauge 13-21H and Waters 4-28H, and gas from those two wells is currently flared. SM is in the final stages of contract negotiations with ONEOK for gas gathering in this area. ONEOK has ordered compression and is working on right-of-way for gathering lines to be built in Divide County. The expected in-service date is March 2013.

Typical Single-Well Economic Data	Three Forks
D&C Investment	\$7,150,000
Base OPEX	\$7,500/month
30 Day IP	335 BOPD
Ultimate Recovery	365 MBO
Oil Price (Effective)	\$88/bbl
Gas Price (Escalates)	\$2.80/MMBTU
ROR	27%
Payout (Undiscounted)	2.9 Years

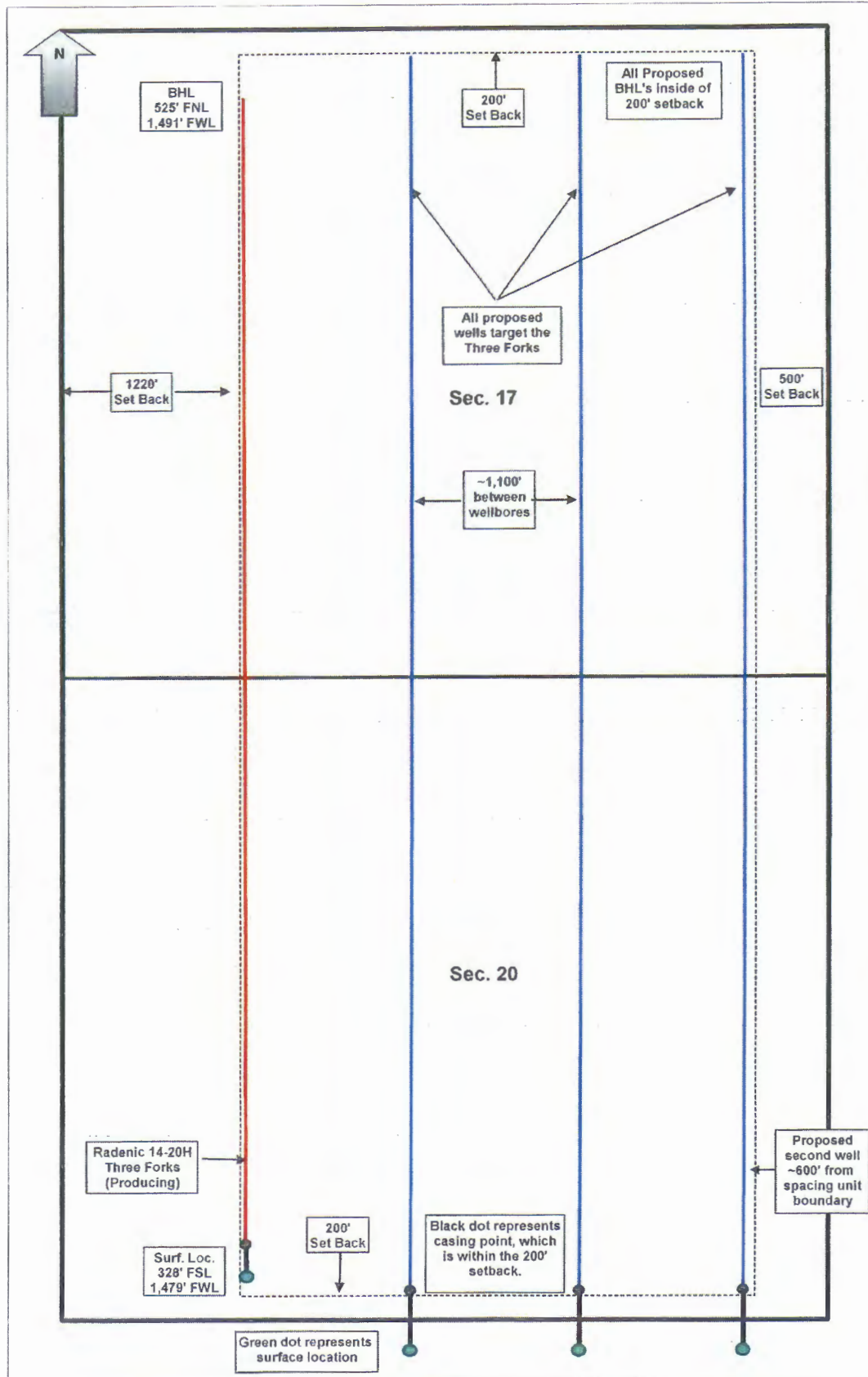
Attachments

-Example wellbore schematic

-Monthly production Data (Torgeson 3-30H, Enerson 4-29H, Radenic 14-20H, Hauge 13-21H, and Waters 4-28H)



Exhibit F
NDIC Case No. 17780
Proposed Typical Four-Well Development Plan
Example Spacing Unit, Sections 17 & 20, 163N 99W
Ambrose Field, Divide County, ND



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 5/30/12 CASE NO. 17780
Introduced By SM Energy
Exhibit F
Identified By Hill

Proposed Development Plan, Example

Location: T163N - R99W

Footage: 600 FEL & 280 FSL

Elev: Graded Pad 2135, 2159 KB

Ambrose Field, Divide County

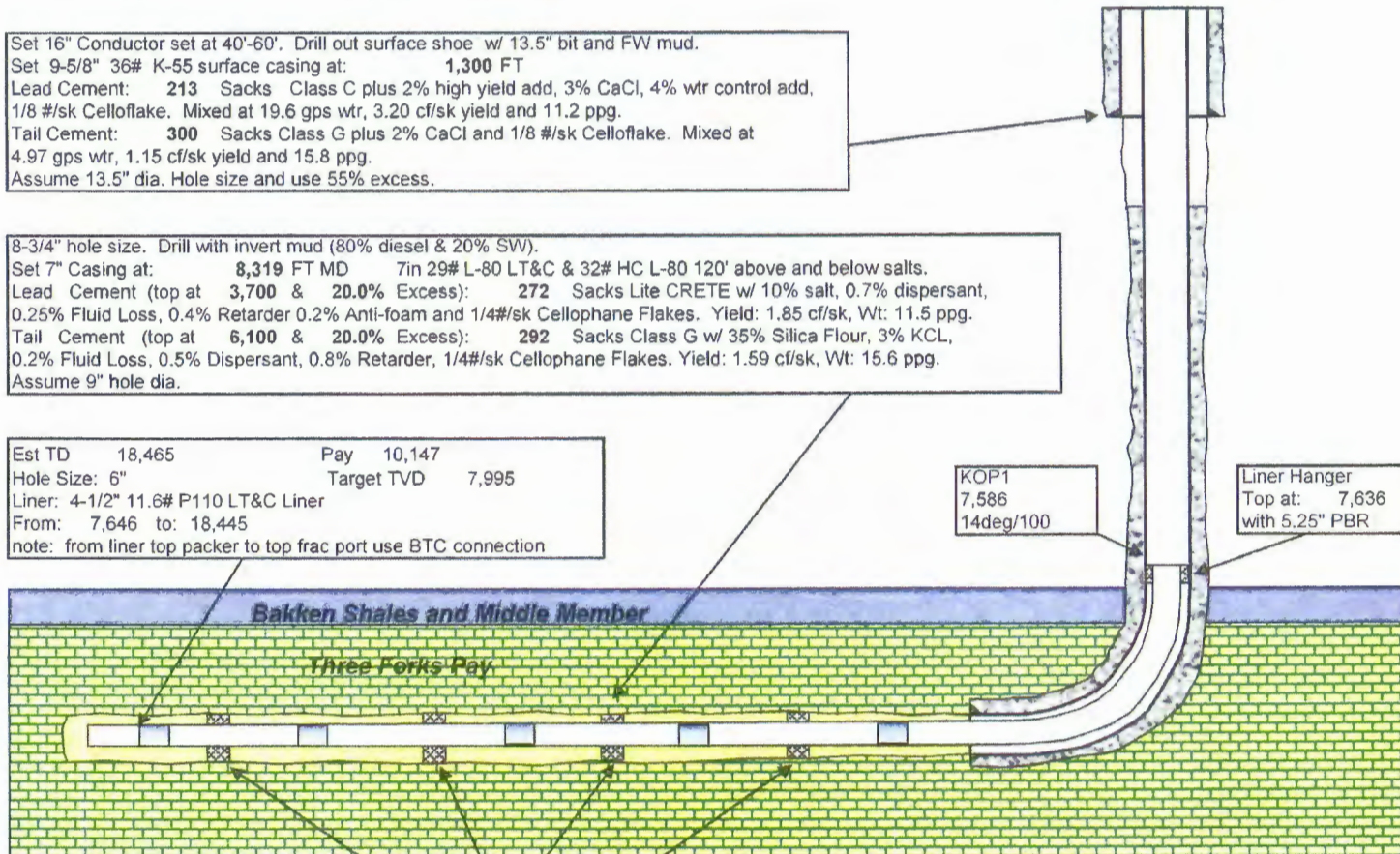
NDIC Case. No. 17780



Set 16" Conductor set at 40'-60'. Drill out surface shoe w/ 13.5" bit and FW mud.
Set 9-5/8" 36# K-55 surface casing at: **1,300 FT**
Lead Cement: **213** Sacks Class C plus 2% high yield add, 3% CaCl, 4% wtr control add, 1/8 #/sk Celloflake. Mixed at 19.6 gps wtr, 3.20 cf/sk yield and 11.2 ppg.
Tail Cement: **300** Sacks Class G plus 2% CaCl and 1/8 #/sk Celloflake. Mixed at 4.97 gps wtr, 1.15 cf/sk yield and 15.8 ppg.
Assume 13.5" dia. Hole size and use 55% excess.

8-3/4" hole size. Drill with invert mud (80% diesel & 20% SW).
Set 7" Casing at: **8,319 FT MD** 7in 29# L-80 LT&C & 32# HC L-80 120' above and below salts.
Lead Cement (top at **3,700 & 20.0% Excess**): **272** Sacks Lite CRETE w/ 10% salt, 0.7% dispersant, 0.25% Fluid Loss, 0.4% Retarder 0.2% Anti-foam and 1/4#/sk Cellophane Flakes. Yield: 1.85 cf/sk, Wt: 11.5 ppg.
Tail Cement (top at **6,100 & 20.0% Excess**): **292** Sacks Class G w/ 35% Silica Flour, 3% KCL, 0.2% Fluid Loss, 0.5% Dispersant, 0.8% Retarder, 1/4#/sk Cellophane Flakes. Yield: 1.59 cf/sk, Wt: 15.6 ppg.
Assume 9" hole dia.

Est TD 18,465 Pay 10,147
Hole Size: 6" Target TVD 7,995
Liner: 4-1/2" 11.6# P110 LT&C Liner
From: 7,646 to: 18,445
note: from liner top packer to top frac port use BTC connection



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

DATE _____ CASE NO. _____
Introduced By _____
Exhibit _____
Identified By _____

SM Energy Monthly Production Data
NDIC Case No. 17780

Torgeson 3-30H				
Month	Oil	Gas	Water	Days On
1/31/2010	6,140	4,301	9,313	26
2/28/2010	4,622	2,353	5,838	20
3/31/2010	8,853	5,097	5,136	31
4/30/2010	6,093	3,582	3,146	30
5/31/2010	5,601	2,767	2,953	30
6/30/2010	8,206	3,426	3,995	30
7/31/2010	6,454	3,101	2,969	31
8/31/2010	6,182	3,113	2,826	31
9/30/2010	5,808	2,717	2,550	30
10/31/2010	5,812	3,125	2,489	31
11/30/2010	5,286	3,088	2,224	30
12/31/2010	2,329	1,112	1,178	26
1/31/2011	5,467	3,453	2,372	31
2/28/2011	4,672	3,100	1,864	28
3/31/2011	4,691	3,342	1,906	31
4/30/2011	4,134	2,941	1,737	30
5/31/2011	4,143	3,221	1,811	31
6/30/2011	1,379	868	686	11
7/31/2011	3,354	2,419	1,528	23
8/31/2011	4,222	2,490	1,822	31
9/30/2011	3,888	2,478	1,592	30
10/31/2011	3,802	2,520	1,494	31
11/30/2011	3,506	2,429	1,417	30
12/31/2011	3,177	2,276	1,304	28
1/31/2012	3,595	2,839	1,537	30
2/29/2012	3,017	2,258	1,307	29
3/31/2012	3,102	2,583	1,093	31
4/30/2012	2,892	3,124	1,416	30

Enerson 4-29H				
Month	Oil	Gas	Water	Days On
5/31/2010	1,509	532	7,948	11
6/30/2010	4,346	1,543	12,208	29
7/31/2010	5,409	1,751	10,058	31
8/31/2010	5,618	1,997	9,604	31
9/30/2010	4,863	1,979	7,924	30
10/31/2010	4,972	2,203	7,370	31
11/30/2010	4,193	2,633	5,835	30
12/31/2010	3,813	2,336	5,308	31
1/31/2011	3,316	2,036	4,744	31
2/28/2011	2,675	2,079	3,860	28
3/31/2011	2,624	2,058	4,119	31
4/30/2011	2,291	1,820	3,195	29
5/31/2011	2,325	1,566	3,355	30
6/30/2011	1,165	770	2,179	18
7/31/2011	2,226	2,695	3,484	31
8/31/2011	2,353	1,442	2,872	31
9/30/2011	1,795	1,259	2,549	28
10/31/2011	1,580	868	2,294	31
11/30/2011	1,685	970	2,419	29
12/31/2011	1,700	980	2,458	31
1/31/2012	1,654	878	2,442	31
2/29/2012	1,516	755	2,204	29
3/31/2012	1,553	945	2,357	31
4/30/2012	1,502	894	2,226	30

SM Energy Monthly Production Data
NDIC Case No. 17780

Radenic 14-20H				
Month	Oil	Gas	Water	Days On
6/30/2010	705	912	3,963	6
7/31/2010	11,734	1,334	12,938	28
8/31/2010	12,718	4,486	12,019	29
9/30/2010	12,713	6,810	7,721	30
10/31/2010	8,599	4,616	5,291	31
11/30/2010	6,265	4,237	3,668	30
12/31/2010	6,310	4,419	3,609	31
1/31/2011	5,915	4,066	3,220	31
2/28/2011	6,748	4,272	3,466	28
3/31/2011	6,529	5,812	3,535	31
4/30/2011	4,752	3,104	2,689	30
5/31/2011	4,874	3,840	2,622	31
6/30/2011	2,532	1,933	1,392	20
7/31/2011	4,747	4,054	2,497	30
8/31/2011	5,309	4,633	2,529	31
9/30/2011	4,230	3,666	2,251	30
10/31/2011	4,086	3,383	1,852	30
11/30/2011	3,898	2,857	1,858	30
12/31/2011	3,448	2,796	1,732	29
1/31/2012	3,470	2,811	1,663	30
2/29/2012	3,232	2,695	1,588	29
3/31/2012	3,330	2,923	1,394	31
4/30/2012	2,573	2,235	1,035	24

Hauge 13-21H				
Month	Oil	Gas	Water	Days On
12/31/2011	9,467	12,666	14,604	17
1/31/2012	13,368	16,308	3,756	31
2/29/2012	12,039	10,733	7,520	29
3/31/2012	7,638	7,138	18,312	28
4/30/2012	9,957	13,854	8,852	29

Waters 4-28H				
Month	Oil	Gas	Water	Days On
1/31/2012	2,079	2,083	31,683	9
2/29/2012	12,124	10,222	21,112	29
3/31/2012	9,605	19,018	4,747	15
4/30/2012	16,292	34,125	20,859	25

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

Application of SM Energy Company for an)
order amending the applicable to orders for)
the Ambrose-Bakken pool to extend the pool)
to include from 50 feet above the top of the)
Bakken formation to 100 feet below the top)
of the Three Forks formation, and)
authorizing up to four wells to be drilled on)
five 1280-acre spacing units consisting of)
Sections 16 and 21, Sections 17 and 20,)
Sections 28 and 33, Sections 29 and 32, and)
Sections 30 and 31, T. 163 N., R. 99 W.,)
Divide County, ND, eliminating any tool)
error requirement, and granting such other)
relief as is appropriate.)

APPLICATION



COMES NOW the applicant, SM Energy Company, and respectfully alleges as follows:

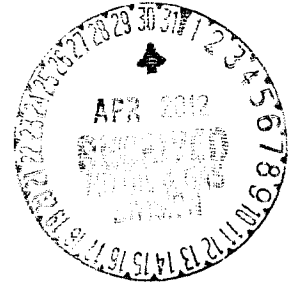
1. It is the owner of an interest in the oil and gas leasehold estate underlying all or portions of Sections 16, 17, 20, 21, 28, 29, 30, 31, 32 and 33, Township 163 North, Range 99 West, Divide County, North Dakota.
2. Said lands are included within the Ambrose field are included within Zone V of the Ambrose-Bakken pool for which spacing has been established on the basis of 1280-acres.
3. Current orders of the Commission define the Bakken pool to consist of the stratigraphic interval from 50 feet above the top of the Bakken formation to 50 feet below the top of the Three Forks formation. Applicant believes that an additional zone more than 50 feet below the top of the Three Forks formation is potentially productive from the same Bakken common source of supply and believes the stratigraphic definition should be amended to include to 100 feet below the top of the Three Forks formation.
4. Applicant further believes that up to 4 horizontal wells may be necessary to adequately and efficiently drain the Bakken reservoir and requests that the Commission authorize up to four horizontal wells to be drilled on the existing 1280-acre spacing units consisting of said

CROWLEY | FLECK PLLP
ATTORNEYS

John W. Morrison
400 East Broadway, Suite 600
P.O. Box 2798
Bismarck, ND 58502-2798
Office: 701.223.6585
Direct: 701.224.7534
jwmorrison@crowleyfleck.com

April 27, 2012

Mr. Bruce Hicks
Oil & Gas Division
ND INDUSTRIAL COMMISSION
600 E. Blvd. Ave., Dept. 405
Bismarck, ND 58505-0840



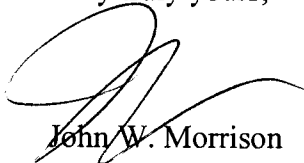
In re: SM Energy Application

Dear Mr. Hicks:

Please find enclosed for filing one application for the May, 2012 regular docket.

Thank you.

Very truly yours,



John W. Morrison

lh
enc.

cc (via e-mail w/enc.):

Karlene Fine
Lynn Helms
Hope Hogan
Shawn Heringer

The Bismarck Tribune
www.bismarcktribune.com
The Finder

Classified Advertising Invoice

Bismarck Tribune
PO BOX 4001
LaCrosse, WI 54602-4001
In State 701-250-8218
Toll free 800-472-2273

OIL & GAS DIVISION

600 E BLVD AVE #405
BISMARCK ND 58505

Customer: 60010203
Phone: (701) 328-8020
Date: 05/09/2012

Date	Order #	Type	Order Amt
05/09/12	20586809	INV	563.16

Amount Paid: _____ CK #: _____

CREDIT CARD PAYMENT (circle one)



Card #: _____
Exp Date: _____
Signature: _____
Credit card users: Fax to 701-223-6584

Cash Amt

PLEASE DETACH AND RETURN TOP PORTION WITH YOUR PAYMENT

Date	Date	Times Run	Description	Lines	Class Code	Order Amt	Net Amt Due
05/09/12	05/09/12	1	608054/Case No. 17762 Bismarck Tribune PO: Notice of Hearing	741.00	Legals	563.16	563.16

Affidavit of Publication

State of North Dakota) SS. County of Burleigh
Before me, a Notary Public for the State of North Dakota
personally appeared CK who being duly sworn, deposes
and says that he (she) is the Clerk of Bismarck Tribune Co.,
and that the publication(s) were made through the
Bismarck Tribune on the following dates:
5/9 Signed Carmen Blum
sworn and subscribed to before me this 15
day of May 20 12
Notary Public in and for the State of North Dakota

GREGORY P. ZIEGLER

Notary Public

State of North Dakota

My Commission Expires July 22, 2015

Please return invoice or put order number on check. Thank You.

Remarks

Total Due: 563.16

Bismarck Tribune

www.bismarcktribune.com

PO BOX 4001

LaCrosse, WI 54602-4001

Terms: PAYMENT IS DUE UPON RECEIPT OF INVOICE

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

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, May 30, 2012, 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 Thursday, May 17, 2012.

STATE OF NORTH DAKOTA TO:

Case No. 17762: Proper spacing for the development of the Twin Valley-Bakken Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.; Continental Resources, Inc.

Case No. 17763: Temporary spacing to develop an oil and/or gas pool discovered by the Whiting Oil and Gas Corp. #21-25TFH Cymbaluk, NENW Section 25, T.141N., R.100W., Billings County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17764: Application of Whiting Oil & Gas Corp. for an order extending the outline of the Dollar Joe Field and amending the applicable orders for the Dollar Joe-Bakken Pool, to include Sections 6 and 7, T.156N., R.96W., Williams County, ND, and authorize the drilling of up to 4 horizontal wells on such spacing unit, and such other relief as is appropriate.

Case No. 17765: Application of Whiting Oil & Gas Corp. for an order amending the applicable orders for the Buckhorn-Bakken and Morgan Draw-Bakken Pools to establish three 1280-acre spacing units consisting of Sections 5 and 8; Sections 17 and 20; and Sections 29 and 32, T.144N., R.102W., Billings County, ND, and authorize up to four wells to be drilled on each such spacing unit, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17766: Application of Whiting Oil & Gas Corp. for an order establishing seven 1280-acre drilling units consisting of Sections 3 and 10; Sections 4 and 9; Sections 5 and 8; Sections 14 and 23; Sections 15 and 22; Sections 16 and 21; and Sections 25 and 36, T.142N., R.103W., Golden Valley County, ND, and allowing a horizontal well to be drilled in the Bakken Formation on such drilling units, and such other relief as is appropriate.

Case No. 17767: Application of Whiting Oil & Gas Corp. for an order amending the applicable orders for the Roosevelt-Bakken Pool to establish a 1280-acre spacing unit consisting of Sections 3 and 10, T.142N., R.102W., Billings County, ND, and authorize up to four wells to be drilled on such spacing unit, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17768: Application of Whiting Oil & Gas Corp. for an order extending the outline of the St. Anthony Field and amending the applicable orders for the St. Anthony-Bakken Pool to include Sections 27 and 34; and Sections 30 and 31, T.141N., R.97W., Dunn County, ND, as 1280 acre spacing units and authorize up to four wells to be drilled on each such spacing unit, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17769: Application of Whiting Oil & Gas Corp. for an order amending the applicable orders for the Bell-Bakken Pool to authorize up to four wells to be drilled on a spacing unit described as Sections 4 and 5, T.139N., R.99W., Stark County, ND, eliminating the 1220-foot setback policy for the initial well on such spacing unit and any tool error requirements, and such other relief as is appropriate.

Case No. 17770: Proper spacing for the development of the Glass Bluff-Bakken Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Brigham Oil & Gas, LP; Denbury Onshore, LLC; Hess Corp.; Murex Petroleum Corp.; Petro-Hunt, LLC; Zavanna, LLC; Zenergy, Inc.

Case No. 17358: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the Murex Petroleum Corp. #1-1R Reistad, SESE Section 1, T.162N., R.102W., Divide County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17771: Application of Petro-Hunt, LLC for an order extending the outline of the Kittleson Slough Field and amending the applicable orders for the Kittleson Slough-Bakken Pool to include Sections 9 and 16, T.158N., R.91W., Mountrail County, ND, as a 1280-acre spacing unit and authorize up to five wells to be drilled on such spacing unit, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17772: Application of Petro-Hunt, LLC for an order suspending, and after hearing revoking, a permit issued to XTO Energy Inc. for the drilling of the Star #21X-14B well on a spacing unit consisting of Sections 14 and 23, T.154N., R.97W., Williams and McKenzie Counties, ND, or alternatively designating Petro-Hunt, LLC, as operator of said well, and such other relief as is appropriate.

Case No. 15676: (Continued) Application of XTO Energy Inc. for an order revoking the permit issued to Continental Resources, Inc. to drill the Carbon #1-30H well, with a surface location in the NWNE of Section 30, T.149N., R.96W., McKenzie County, ND, and such other relief as is appropriate.

Case No. 16125: (Continued) In the matter of the application of XTO Energy Inc. for an order revoking the permit issued to Continental Resources, Inc. to drill the Tompkins #1-35H well, with a surface location in the SESE of Section 35, T.149N., R.97W., McKenzie County, ND, or alternatively designating applicant as operator of said well, and such other relief as the Commission may deem appropriate.

Case No. 17773: Temporary spacing to develop an oil and/or gas pool discovered by the Hess Corp. #0508H-1AW-H Osborn-163-93, Lot 2 Section 5, T.163N., R.93W., Burke County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17774: Application of Hess Corp. for an order extending the outline of the Ray Field and amending the applicable orders for the Ray-Bakken Pool, to include Sections 29 and 32, T.158N., R.97W., Williams County, ND, and authorize the drilling of up to 4 horizontal wells on such spacing unit, and such other relief as is appropriate.

Case No. 17775: Application of Hess Corp. for an order authorizing a horizontal well to be drilled in a spacing unit for the Truax-Bakken Pool described as Sections 22 and 23, T.153N., R.98W., Williams and McKenzie Counties, ND, without regard to the Commission's policies requiring a 1220 foot setback for the initial well on the spacing unit, and such other relief as is appropriate.

Case No. 17434: (Continued) Application of Hess Corp. for an order extending the outline of and amending the applicable orders for the Manitou-Bakken Pool so as to include Section 27, T.156N., R.94W., Mountrail County, ND, as a 640-acre spacing unit and allow up to six horizontal wells on such spacing unit and such other relief as is appropriate.

Case No. 14935: (Continued) Application of Hess Corp. for an order suspending, and after hearing revoking, a permit issued to Continental Resources, Inc. for the drilling of the Foster #1-28H well on a drilling unit consisting of Sections 28 and 33, T.153N., R.99W., Williams and McKenzie Counties, ND, and such other relief as is appropriate.

Case No. 17776: Temporary spacing to

develop an oil and/or gas pool discovered by the Marathon Oil Co. #34-8H Merlyn Olson, SWSE Section 8, T.159N., R.101W., Williams County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17777: Application of Marathon Oil Co. for an order extending the outline of the Twin Buttes Field and amending the applicable orders for the Twin Buttes-Bakken Pool to establish ten 1280-acre spacing units consisting of Sections 30 and 31, T.147N., R.91W.; Sections 25 and 36; Sections 26 and 35; Sections 27 and 34; and Sections 28 and 33, T.147N., R.92W.; Sections 6 and 7, T.146N., R.91W.; and Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; and Sections 4 and 9, T.146N., R.92W., all in Dunn County, ND, authorizing the drilling of up to 4 wells on each such spacing unit, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17778: Temporary spacing to develop an oil and/or gas pool discovered by the Burlington Resources Oil & Gas Co., LP #16-1H Red Wing, Section 16, T.147N., R.101W., McKenzie County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17779: Application of OXY USA, Inc., to consider the temporary spacing to develop an oil and/or gas pool discovered by the Spring Creek #1-20-141-93 well, SWNW of Section 20, T.141N., R.93W., Dunn County, ND, define the limits of the field, and enact such special field rules as may be necessary.

Case No. 17780: Application of SM Energy Co. for an order amending the applicable orders for the Ambrose-Bakken Pool to extend the pool to include from 50 feet above the top of the Bakken Formation to 100 feet below the top of the Three Forks Formation, and authorizing up to four wells to be drilled on each of five 1280-acre spacing units consisting of Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, T.163N., R.99W., Divide County, ND, eliminating any tool error requirement, and such other relief as is appropriate.

Case No. 17781: Application of SM Energy Co. for an order amending the applicable orders for the Siverston-Bakken Pool to establish an overlapping 2560-acre spacing unit consisting of Sections 26, 27, 34 and 35, T.150N., R.98W., McKenzie County, ND, for the purpose of drilling one or more horizontal wells; authorizing up to eight wells to be drilled on each of two existing 1280-acre spacing units consisting of said Sections 26 and 35; and Sections 27 and 34; eliminating any tool error requirement; and such other relief as is appropriate.

Case No. 17359: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the SM Energy Co. #3-1HS Tomlinson, Lot 3, Section 1, T.161N., R.100W., Divide County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17437: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the SM Energy Co. #15-11H Nelson, SWSE Section 11, T.150N., R.97W., McKenzie County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17782: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Cottonwood-Bakken Pool to establish two 1280-acre spacing units consisting of Sections 25 and 36, T.158N., R.92W.; and Sections 18 and 19, T.157N., R.92W., and authorize up to six wells to be drilled on each proposed and existing 1280-acre spacing unit described as Sections 25 and 36; and Sections 27 and 28, T.158N., R.92W.; and Sections 3 and 10; Sections 8 and 9; Sections 12 and 13; Sections 14 and 15; and Sections 18 and 19, T.157N., R.92W., Mountrail County, ND, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17783: Application of True Oil LLC for an order amending the applicable orders, including applicable orders for the Buffalo Wallow-Bakken Pool and the Trailside-Bakken Pool, to (i) establish two 1360-acre drilling or spacing units consisting of (a) the W/2 and N/2 NE/4 of Section 29 and all of Section 30, T.148N., R.100W., and all of the E/2 of Section 25, T.148N., R.101W., McKenzie County, ND, and (b) the S/2W/4 of Section 8 and all of Section 7, T.147N., R.100W., and all of Section 12, T.147N., R.101W., McKenzie County, ND; (ii) establish two 1280-acre drilling or spacing units consisting of (a) all of Section 31, T.148N., R.100W., and all of Section 36, T.148N., R.101W., McKenzie County, ND, and (b) all of Section 6, T.147N., R.100W., and all of Section 1, T.147N., R.101W., McKenzie County, ND; (iii) authorize up to 4 horizontal wells to be drilled on each such 1360-acre or 1280-acre drilling or spacing unit; (iv) eliminate any tool error requirements; and (v) grant such other and further relief as may be appropriate.

Case No. 17784: Application of Kodiak Oil & Gas (USA) Ind. for an order amending the applicable orders for the Moccasin Creek-Bakken Pool to designate a 1280-acre spacing unit consisting of Sections 2 and 11, T.147N., R.93W., Dunn County, ND, and authorize the drilling of up to six horizontal wells on such spacing unit, eliminating any tool error requirement, and such other relief as is appropriate.

Case No. 17785: Application of Kodiak Oil & Gas (USA) Ind. for an order extending the outline of the Twin Buttes Field and amending the applicable orders for the Twin Buttes-Bakken Pool to include the W/2 NW/4 of Section 16, T.147N., R.92 and designate one 2560-acre spacing unit consisting of Sections 10, 11, 14 and 15, T.147N., R.92W., Dunn County, ND, and three 1280-acre spacing units consisting of Sections 16 and 21, T.147N., R.92W.; all of Section 13, T.147N., R.92W., and Section 18, T.147N., R.91W.; and all of Sections 19 and 20, T.147N., R.91W., all in Dunn County, ND; authorize the drilling of up to six horizontal wells on the 1280-acre spacing unit consisting of Sections 16 and 21 and up to four horizontal wells on each of the other 1280-acre and 2560-acre spacing units described above; eliminating any tool error requirement; and such other relief as is appropriate.

Case No. 17786: Application of Sequel Energy, LLC for an order amending the applicable orders for the Stoneview-Madison Pool, Burke, Williams and Divide Counties, ND, to allow wells to be drilled at any location not closer than 500 feet to the boundary of a spacing unit, and such other relief as is appropriate.

Case No. 17787: Application of Marquis Alliance Energy Group USA, Inc., in accordance with NDAC § 43-02-03-51 for an order authorizing the construction of an oil treating and waste processing facility to be located in the SWSW Section 35, T.154N., R.91W., Mountrail County, ND, for the purpose of salvaging, treating and recycling upstream petroleum wastes.

Case No. 17585: (Continued) Application of Clean Fluid Solutions LLC pursuant to NDAC § 43-02-03-51 to operate a treating plant for the treatment of drilling fluids located in the S/2 SE/4 of Section 24, T.145N., R.95W., Dunn County, ND and such other relief as is appropriate.

Case No. 17788: Application of Oasis Petroleum North America LLC pursuant to NDAC § 43-02-03-88.1 for an order authorizing the flaring of gas from the Peters #11-1H well, Lot 4, Section 1, T.160N., R.93W., Burke County, ND, pursuant to the provisions of NDCC § 38-08-06.4 and such other relief as is appropriate.

Case No. 17789: Application of Oasis Petroleum North America LLC for an order authorizing up to six wells to be

drilled on each existing 1280-acre spacing unit described as Sections 1 and 12; Sections 2 and 11; Sections 13 and 24; and Sections 14 and 23, T.157N., R.93W., Mountrail County, ND, in the Sorkness-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17790: Application of Oasis Petroleum North America LLC for an order authorizing up to six wells to be drilled on each existing 1280-acre spacing unit described as Sections 2 and 11; Sections 3 and 10; Sections 14 and 23; Sections 15 and 22; Sections 26 and 35; and Sections 27 and 34, T.156N., R.102W., Williams County, ND, in the Bonetrail-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17791: Application of Oasis Petroleum North America LLC for an order authorizing up to six wells to be drilled on a 640-acre spacing unit described as Section 4, T.153N., R.93W., Mountrail County, ND, in the Sanish-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17792: Application of Oasis Petroleum North America LLC for an order authorizing up to six wells to be drilled on each existing 1280-acre spacing unit described as Section 1, T.152N., R.101W. and Section 6, T.152N., R.100W.; Section 12, T.152N., R.101W., and Section 7, T.152N., R.100W.; and Sections 30 and 31, T.152N., R.100W., McKenzie County, ND, in the Camp-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17793: Application of Oasis Petroleum North America LLC for an order authorizing up to six wells to be drilled on an existing 1280-acre spacing unit described as Sections 5 and 8, T.152N., R.100W., McKenzie and Williams Counties, ND, in the Willow Creek-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17794: Application of Petro-Hunt, LLC for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 4 and 9, T.159N., R.94W., Burke County, ND, North Tioga-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17795: Application of Petro-Hunt, LLC for an order authorizing up to five wells to be drilled on an existing 640-acre spacing unit described as Section 16, T.154N., R.99W., Williams County, ND, in the Stockyard Creek-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17796: Application of Hess Corp. 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.158N., R.97W., Williams County, ND, Ray-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17797: Application of Hess Corp. 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.156N., R.101W., Williams County, ND, Tyrone-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17798: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 25 and 36, T.156N., R.96W., Williams County, ND, Beaver Lodge-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17799: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 4 and 5, T.155N., R.95W., Williams County, ND, Beaver Lodge-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17800: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Section 6, T.155N., R.95W., and Section 1, T.155N., R.96W., Williams County, ND, Beaver Lodge-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17801: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 3 and 10, T.154N., R.98W., Williams County, ND, Truax-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17802: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 4 and 9, T.154N., R.98W., Williams County, ND, Truax-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17803: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 6 and 7, T.154N., R.98W., Williams County, ND, Truax-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17804: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 14 and 15, T.153N., R.98W., Williams County, ND, Truax-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17805: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 22 and 23, T.153N., R.98W., Williams and McKenzie Counties, ND, Truax-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17806: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 13 and 14, T.153N., R.99W., Williams County, ND, Long Creek-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17807: Application of Hess Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 8 and 9, T.152N., R.99W., McKenzie County, ND, Banks-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17808: Application of Hess Corp. for an order authorizing up to six horizontal wells to be drilled on two existing 1280-acre spacing unit described as Sections 16 and 21; and Sections 26 and 35, T.157N., R.96W., Williams County, ND, in the Midway-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17809: Application of Hess Corp. for an order authorizing up to six horizontal wells to be drilled on an existing 1280-acre spacing unit described as Sections 3 and 10, T.155N., R.97W., Williams County, ND, in the Dollar Joe-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17810: Application of Whiting Oil & Gas Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Section 13, T.155N., R.93W., Mountrail County, ND, Alger-Bakken Pool, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 17811: Application of Whiting Oil & Gas Corp. 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.153N., R.93W., Mountrail and McKenzie Counties, ND, Sanish-Bakken

Pool, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 17812: Application of Whiting Oil & Gas Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 1 and 12, T.151N., R.102W., McKenzie County, ND, Lonesome-Bakken Pool, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 17813: Application of Whiting Oil & Gas Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 6 and 7, T.151N., R.101W., McKenzie County, ND, Sioux-Bakken Pool, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 17814: Application of Whiting Oil & Gas Corp. 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.141N., R.97W., Dunn County, ND, St. Anthony-Bakken Pool, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 17815: Application of Whiting Oil & Gas Corp. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 30 and 31, T.141N., R.97W., Dunn County, ND, St. Anthony-Bakken Pool, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 17816: Application of Whiting Oil & Gas Corp. for an order authorizing up to six wells to be drilled on an existing 640-acre spacing unit described as Section 13, T.155N., R.93W., Mountrail County, ND, in the Alger-Bakken Pool, eliminating any tool error requirements, and such other relief as is appropriate.

Case No. 17817: Application of SM Energy Co. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 26, 27, 34 and 35, T.150N., R.98W., McKenzie County, ND, Siverston-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17818: Application of SM Energy Co. for an order authorizing up to eight wells to be drilled on a 1280-acre spacing unit consisting of said Sections 33 and 34, T.152N., R.100W., McKenzie County, ND, in the Camp-Bakken Pool, eliminating any tool error requirement, and such other relief as is appropriate.

Case No. 17819: Application of SM Energy Co. for an order authorizing up to eight wells to be drilled on each existing 1280-acre spacing units consisting of said Sections 7 and 8, T.151N., R.99W.; and Sections 4 and 9, T.151N., R.100W., McKenzie County, ND, in the Poe-Bakken pool, eliminating any tool error requirement, and such other relief as is appropriate.

Case No. 17820: Application of True Oil LLC for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as the E/2 of Section 26 and the E/2 NW/4 and W/2 NE/4 of Section 35, T.148N., R.101W., McKenzie County, ND, Red Wing Creek-Madison Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 17821: Application of Marathon Oil Co. for an order allowing oil and gas produced from various wells completed in the Bailey, Killdeer and Chimney Butte Fields, located in Dunn County, ND, and such other wells as may subsequently approved by the Commission, to be commingled in a central production facility pursuant to NDAC § 43-02-03-88.1 or granting such other and further relief as may be appropriate.

Case No. 16958: (Continued) Application of OXY USA INC. for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Dimond SWD #2 well, SWSW Section 24, T.160N., R.91W., Dimond Field, Burke County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17822: Application of Sakakawea Ventures, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Gohrick SWD #1 well, NWNW Section 21, T.159N., R.95W., Sauk Field, Williams County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17823: Application of IHD Solids Management, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the IHD-SWD-1 well, NWSW Section 34, T.153N., R.101W., Indian Hill Field, McKenzie County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17824: Application of IHD Solids Management, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the IHD-SWD-2 well, NENE Section 23, T.152N., R.96W., Clear Creek Field, McKenzie County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17825: Application of IHD Solids Management, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the IHD-SWD-3 well, NWNW Section 24, T.154N., R.102W., Todd Field, Williams County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17826: Application of Paul Rankin Inc for an order pursuant to NDAC § 43-02-03-88.1 authorizing the conversion to saltwater disposal into the Dakota Group of the VJ Oster #1 well, SWNE Section 3, T.152N., R.103W., Eightmile Field, Williams and McKenzie Counties, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17827: Application of SBG Arnegard Facility, LLC for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the SBG Arnegard Facility #1 well, SESE Section 13, T.150N., R.100W., Timber Creek Field, McKenzie County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17828: Application of Moxie Disposal Systems for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Jessica SWD #1 well, SWSE Section 36, T.150N., R.99W., Siverston Field, McKenzie County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 17829: Application of Mann Oil Co. for an order pursuant to NDAC § 43-02-03-88.1 authorizing saltwater disposal into the Dakota Group in the Fitterer SWD #1 well, NENW Section 17, T.136N., R.97W., Hettinger County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Signed by:
Jack Dalrymple, Governor
Chairman, ND Industrial Commission
5/9 - 608054

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

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, May 30, 2012, 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 Thursday, May 17, 2012.

STATE OF NORTH DAKOTA TO:

Case No. 17358: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the Murex Petroleum Corp. #1-1R Reistad, SESE Section 1, T.162N., R.102W., Divide County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17780: Application of SM Energy Co. for an order amending the applicable to orders for the Ambrose-Bakken Pool to extend the pool to include from 50 feet above the top of the Bakken Formation to 100 feet below the top of the Three Forks

Formation, and authorizing up to four wells to be drilled on each of five 1280-acre spacing units consisting of Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, T.163N., R.99W., Divide County, ND, eliminating any tool error requirement, and such other relief as is

Case No. 17359: (Continued) Temporary spacing to develop an oil and/or gas pool discovered by the SM Energy Co. #3-1HS Tomlinson, Lot 3, Section 1, T.161N., R.100W., Divide County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17786: Application of Sequel Energy, LLC for an order amending the applicable orders for the Stonewall-Madison Pool, Burke, Williams and Divide Counties, ND, to allow wells to be drilled at any location not closer than 500 feet to the boundary of a spacing unit, and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman,
ND Industrial Commission
(5-9)

Affidavit of Publication

State of North Dakota, County of Divide, ss:

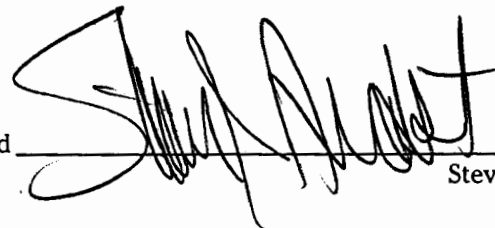
I, Steven J. Andrist, being first duly sworn, on my oath, say that I am the publisher of The Journal, a weekly newspaper of general circulation and official newspaper of Divide County, State of North Dakota, published in the city of Crosby, ND, and that the advertisement headed

NOTICE OF HEARING N.D. INDUSTRIAL COMMISSION OIL AND GAS DIVISION
a printed copy of which is here attached, was published in The Journal on the following date:

May 09, 201280 lines @ .63 = \$50.40

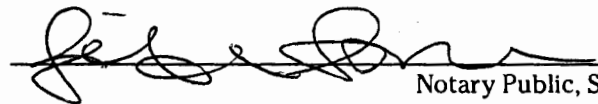
TOTAL CHARGE\$50.40

Signed _____

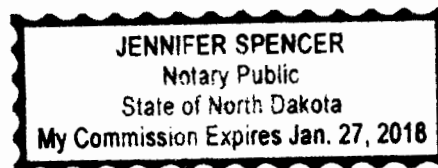


Steven J. Andrist, Publisher

Subscribed and sworn to before me May 09, 2012



Notary Public, State of North Dakota



NOTICE OF HEARING

N.D. INDUSTRIAL COMMISSION OIL AND GAS DIVISION

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Wednesday, May 30, 2012, 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 Thursday, May 17, 2012.

STATE OF NORTH DAKOTA
TO:

Case No. 17358: (Continued)
Temporary spacing to develop an oil and/or gas pool discovered by the Murex Petroleum Corp. #1-1R Reistad, SESE Section 1, T.162N., R.102W., Divide County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17780: Application of SM Energy Co. for an order amending the applicable to orders for the Ambrose-Bakken Pool to extend the pool to include from 50 feet above the top of the Bakken Formation to 100 feet below the top of the Three Forks Formation, and authorizing up

to four wells to be drilled on each of five 1280-acre spacing units consisting of Sections 16 and 21; Sections 17 and 20; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, T.163N., R.99W., Divide County, ND, eliminating any tool error requirement, and such other relief as is

Case No. 17359: (Continued)
Temporary spacing to develop an oil and/or gas pool discovered by the SM Energy Co. #3-1HS Tomlinson, Lot 3, Section 1, T.161N., R.100W., Divide County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 17786: Application of Sequel Energy, LLC for an order amending the applicable orders for the Stoneview-Madison Pool, Burke, Williams and Divide Counties, ND, to allow wells to be drilled at any location not closer than 500 feet to the boundary of a spacing unit, and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman,
ND Industrial Commission
(5-9)