

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 21399
(CONTINUED)
ORDER NO. 23741

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 ORDERS FOR THE AMBROSE, WEST AMBROSE, AND COLGAN-BAKKEN POOLS, INCLUDING WITHOUT LIMITATION ORDER NO. 22099, TO ALLOW AN ADDITIONAL HORIZONTAL WELL TO BE DRILLED IN THE MIDDLE MEMBER OF THE BAKKEN FORMATION IN FIVE 2560-ACRE SPACING UNITS DESCRIBED AS SECTIONS 13 AND 24, T.163N., R.101W. AND SECTIONS 18 AND 19, T.163N., R.100W.; SECTIONS 1, 2, 11, AND 12; SECTIONS 16, 17, 20, AND 21; SECTIONS 17, 18, 19, AND 20, T.163N., R.100W.; AND SECTIONS 17, 18, 19, AND 20, T.163N., R.99W., DIVIDE COUNTY, ND, OR GRANTING SUCH OTHER RELIEF AS MAY BE APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

(1) This cause originally came on for hearing at 9:00 a.m. on the 18th day of December, 2013. At that time, counsel for SM Energy Company (SM Energy) requested this case be continued to the regularly scheduled hearing in January, 2014. There were no objections, the hearing officer granted the request, and this case was scheduled for hearing on January 15, 2014.

(2) The witnesses for 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 January 30, 2014; therefore, such testimony may be considered evidence.

(3) SM Energy made application to the Commission for an order amending the applicable orders for the Ambrose, Colgan, and West Ambrose-Bakken Pools, including without limitation Order No. 22099, to allow an additional horizontal well to be drilled in the middle member of the Bakken Formation in five 2560-acre spacing units described as Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163 North, Range 100 West; Sections 1,

2, 11, and 12; Sections 16, 17, 20, and 21; Sections 17, 18, 19, and 20, Township 163 North, Range 100 West; and Sections 17, 18, 19, and 20, Township 163 North, Range 99 West, Divide County, North Dakota, or granting such other relief as may be appropriate.

(4) Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163 North, Range 100 West; Sections 16*, 17, 20, and 21*; and Sections 17, 18, 19, and 20, Township 163 North, Range 100 West, Divide County, North Dakota, are currently 2560-acre spacing units in Zone VII in the Colgan-Bakken Pool. Sections 13 and 24, Township 163 North, Range 101 West; Sections 17 and 20; and Sections 18 and 19, Township 163 North, Range 100 West, Divide County, North Dakota, are also standup 1280-acre spacing units in Zone III in the Colgan-Bakken Pool. Sections 16 and 21, Township 163 North, Range 100 West, Divide County, North Dakota, are also a standup 1280-acre spacing unit in Zone IV in the West Ambrose-Bakken Pool. Sections 13, 14, 23, and 24, Township 163 North, Range 101 West, Divide County, North Dakota, are also a 2560-acre spacing unit in Zone VII in the Colgan-Bakken Pool. Sections 15, 16, 21, and 22, Township 163 North, Range 100 West, Divide County, North Dakota, are also a 2560-acre spacing unit in Zone VII in the West Ambrose-Bakken Pool.

*Sections 16 and 21 are within the West Ambrose Field.

(5) Sections 1, 2, 11, and 12; Township 163 North, Range 100 West, Divide County, North Dakota, are currently a 2560-acre spacing unit in Zone VII in the West Ambrose-Bakken Pool. Sections 1 and 12; and Sections 2 and 11, Township 163 North, Range 100 West, Divide County, North Dakota, are also standup 1280-acre spacing units in Zone IV in the West Ambrose-Bakken Pool. Sections 2, 3, 10, and 11, Township 163 North, Range 100 West, Divide County, North Dakota, are also a 2560-acre spacing unit in Zone VII in the West Ambrose-Bakken Pool. Sections 1 and 12, Township 163 North, Range 100 West, and Sections 25 and 36, Township 164 North, Range 100 West, and Sections 30 and 31, Township 164 North, Range 99 West, and Sections 6 and 7, Township 163 North, Range 99 West, Divide County, North Dakota, are also a standup 4160-acre spacing unit in Zone VIII in the West Ambrose-Bakken Pool.

(6) Sections 17, 18*, 19*, and 20, Township 163 North, Range 99 West, Divide County, North Dakota, are currently a 2560-acre spacing unit in Zone IX in the Ambrose-Bakken Pool. Sections 17 and 20, Township 163 North, Range 99 West, Divide County, North Dakota, are also a standup 1280-acre spacing unit in Zone VII in the Ambrose-Bakken Pool. Sections 18 and 19, Township 163 North, Range 99 West, Divide County, North Dakota, are also a standup 1280-acre spacing unit in Zone IV in the West Ambrose-Bakken Pool. Sections 13 and 24, Township 163 North, Range 100 West and Sections 18 and 19, Township 163 North, Range 99 West, Divide County, North Dakota, are also a 2560-acre spacing unit in Zone VII in the West Ambrose-Bakken Pool. Sections 16, 17, 20, and 21, Township 163 North, Range 99 West, Divide County, North Dakota, are also a 2560-acre spacing unit in Zone IX in the Ambrose-Bakken Pool.

*Sections 18 and 19 are within the West Ambrose Field.

(7) Order No. 22099 entered in Case No. 19792 on July 5, 2013, established Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163 North, Range 100 West; Sections 1, 2, 11, and 12; Sections 16, 17, 20, and 21; Sections 17, 18, 19, and 20, Township 163 North, Range 100 West; and Sections 17, 18, 19, and 20, Township 163 North, Range 99 West,

Divide County, North Dakota, as 2560-acre spacing units for the exclusive purpose of drilling one horizontal well within each said spacing unit within the respective Bakken Pool.

(8) Order No. 22966 entered in Case No. 20661, 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, Zone IV at up to seven horizontal wells per 800 acres, Zones V and VI at one horizontal well per 1280 acres, Zone VII at up to seven horizontal wells per 1280 acres, Zone VIII at a minimum of four horizontal wells, up to twelve horizontal wells, per 2080 acres, Zone IX at one horizontal well per 2560 acres, Zone X at up to thirteen horizontal wells per 2560 acres, Zone XI at two horizontal wells per 4160 acres, and Zone XII at two horizontal wells per 5120 acres.

(9) Order No. 22099 entered in Case No. 19792, the most recent spacing order for the Colgan-Bakken Pool, established temporary spacing for the development of Zone I at up to eight horizontal wells per 800 acres, Zone II at up to four horizontal wells per 1280 acres, Zone III at up to seven horizontal wells per 1280-acres, Zones IV and V at up to eight horizontal wells per 1280 acres, Zone VI at one horizontal well per 1600 acres, and Zone VII at one horizontal well per 2560 acres.

(10) Order No. 23101 entered in Case No. 20795, the most recent spacing order for the West Ambrose-Bakken Pool, established proper spacing for the development of Zone I at one horizontal well per 800 acres, Zone II at one horizontal well per 1280 acres, Zone III at up to four horizontal wells per 1280 acres, Zone IV at up to seven horizontal wells per 1280 acres, Zone V at up to nine horizontal wells per 1600 acres, Zone VI at a minimum of four horizontal wells, up to twelve horizontal wells, per 2080 acres, Zone VII at one horizontal well per 2560 acres, and Zone VIII at two horizontal wells per 4160 acres.

(11) The Ambrose, Colgan, and West Ambrose-Bakken Pools in each respective spacing unit described as Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163 North, Range 100 West; Sections 1, 2, 11, and 12; Sections 16, 17, 20, and 21; Sections 17, 18, 19, and 20, Township 163 North, Range 100 West; and Sections 17, 18, 19, and 20, Township 163 North, Range 99 West, Divide County, North Dakota, is defined as that accumulation of oil and gas found in the interval from the base of the Bakken Formation to 100 feet below the top of the Three Forks Formation, precluding a horizontal well in the middle member of the Bakken Formation.

(12) In Order No. 22099, the Commission found that lease-line horizontal wells should not be allowed in the middle member of the Bakken Formation until their economic viability was established.

(13) SM Energy analyzed nine horizontal wells in the area completed in the middle member of the Bakken Formation. SM Energy estimates a typical middle member Bakken Formation horizontal well will have 325,000 barrels of recoverable reserves and have a rate-of-return of 35%, which meets their corporate economic hurdles. SM energy believes the middle member Bakken Formation horizontal wells they analyzed establishes their economic viability.

(14) SM Energy's idealized development plan for each 2560-acre spacing unit described as Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163

North, Range 100 West; Sections 1, 2, 11, and 12; Sections 16, 17, 20, and 21; Sections 17, 18, 19, and 20, Township 163 North, Range 100 West; and Sections 17, 18, 19, and 20, Township 163 North, Range 99 West, Divide County, North Dakota, is to drill one horizontal well in the middle member of the Bakken Formation down the north-south section lines between the corresponding standup 1280-acre spacing units. 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, Colgan, or West Ambrose-Bakken Pools. The horizontal well design 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.

(15) The Commission believes that lease-line wells should be located approximately on the section lines with some allowance for local reservoir conditions and existing Bakken Pool wells. Current setback requirements in Bakken Pools for standup 1280-acre spacing units require a 500-foot setback from the east and west boundaries, leaving a minimum 1000-foot window between adjacent horizontal wells in adjacent spacing units. The purpose of a lease-line horizontal well is to recover the reserves from this 1000-foot window without unfairly encroaching on an existing horizontal well completed in a 1280-acre spacing unit or unfairly encroaching on the mineral or leasehold interest if the acreage is undeveloped or underdeveloped.

(16) The Commission believes the closer the lateral is to the interior north-south section lines in a 2560-acre spacing unit, the more likely it is to drain reserves equally from the adjoining spacing units.

(17) The Commission must balance its duty to prevent waste and its duty to protect correlative rights. The Commission must weigh all factors and then issue a decision which best protects the correlative rights of all interested parties.

(18) The Commission understands not all development on both sides of a north-south lease-line will be symmetrical in all cases; therefore, the Commission should allow this lease-line development to take place within a 500-foot corridor to best protect the correlative rights of all interested parties.

(19) The Commission should establish a consistent well location corridor for all lease-line wells in 2560-acre spacing units.

(20) There is at least one horizontal well completed in the Bakken Pool in each of the standup 1280-acre spacing units described as Sections 13 and 24, Township 163 North, Range 101 West; Sections 1 and 12; Sections 2 and 11; Sections 16 and 21; Sections 17 and 20; Sections 18 and 19, Township 163 North, Range 100 West; Sections 17 and 20; and Sections 18 and 19, Township 163 North, Range 99 West, Divide County, North Dakota.

(21) There were no objections to this application.

(22) 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.

IT IS THEREFORE ORDERED:

(1) Sections 17, 18*, 19*, and 20, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby affirmed as a 2560-acre spacing unit for the exclusive purpose of drilling one horizontal well on a north-south orientation within said spacing unit within Zone IX in the Ambrose-Bakken Pool. Existing and future vertical and directional wells drilled within the spacing unit herein established shall not be subject to this order.

*Sections 18 and 19 are within the West Ambrose Field.

(2) Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163 North, Range 100 West; Sections 16*, 17, 20, and 21*; and Sections 17, 18, 19, and 20, Township 163 North, Range 100 West, Divide County, North Dakota, are hereby affirmed as 2560-acre spacing units for the exclusive purpose of drilling one horizontal well on a north-south orientation within each said spacing unit within Zone VII in the Colgan-Bakken Pool. Existing and future vertical and directional wells drilled within the spacing units herein established shall not be subject to this order.

*Sections 16 and 21 are within the West Ambrose Field

(3) Sections 1, 2, 11, and 12, Township 163 North, Range 100 West, Divide County, North Dakota, are hereby affirmed as a 2560-acre spacing unit for the exclusive purpose of drilling one horizontal well on a north-south orientation within said spacing unit within Zone VII in the West Ambrose-Bakken Pool. Existing and future vertical and directional wells drilled within the spacing unit herein established shall not be subject to this order.

(4) Any horizontal well within the 2560-acre spacing units described in paragraphs (1), (2), and (3) above shall be allowed to be completed anywhere within the stratigraphic limits of the respective Bakken Pool.

(5) The Director is hereby authorized to exercise continuing jurisdiction in this matter to determine whether a horizontal well proposed or drilled upon the 2560-acre spacing units herein affirmed 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.

(6) 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 (7) below shall not be subject to this order.

(7) 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.

(8) 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 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 (7/1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 15, 16, 17, 20, 21, 22, 27, 28, 29, 30, 31, 32, 33 AND 34,

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, 6, 7, 12, 16, 17, 18, 19, 20, 21, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35
AND 36,

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

ZONE VIII (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 IX (2560H-NORTH/SOUTH ORIENTATION)

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM
ALL OF SECTIONS 25* AND 36*,

*Sections 25 and 36 are within the West Ambrose Field.

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 14, 15, 16, 17, 18*, 19*, 20, 21, 22, 23, 26, 27, 28, 29, 30, 31, 32, 33, 34
AND 35,

*Sections 18 and 19 are within the West Ambrose Field.

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 5*, 6, 7, 8*, 17*, 18, 19 AND 20*.

*Sections 5, 8, 17, and 20 are within the Blooming Prairie Field.

ZONE X (13/2560H-STANDUP)

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

ZONE XI (2/4160H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 25, 26, 29, 30*, 31*, 32, 35 AND 36,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 1, 2, 5, 6*, 7*, 8, 11 AND 12.

*Sections 30, 31, 6, and 7 are within the West Ambrose Field.

ZONE XII (2/5120H-STANDUP)

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

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

(9) 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, with an exception as noted in Zone IX below.

(10) 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.

(11) 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.

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

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

(14) 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.

(15) 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.

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

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

(18) 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.

(19) 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.

(20) 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.

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

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

(33) 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.

(34) 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.

(35) 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.

(36) 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.

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

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

(39) 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.

(40) Sections 15 and 22; Sections 16 and 21; Sections 17 and 20; Sections 27 and 34; Sections 28 and 33; Sections 29 and 32; Sections 30 and 31, Township 163 North, Range 99 West; Sections 6 and 7; Sections 18 and 19; Sections 30 and 31, Township 163 North, Range 98 West; Sections 1 and 12; Sections 6 and 7; Sections 16 and 21; Sections 17 and 20; Sections 18 and 19; Sections 25 and 36; 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; Sections 6 and 7; Sections 18 and 19; 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.

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

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

(43) The proper spacing for the development of Zone VIII 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.

(44) 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.

(45) 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 VIII in the Ambrose-Bakken Pool.

(46) 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.

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

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

(49) The proper spacing for the development of Zone IX in the Ambrose-Bakken Pool is hereby set at one horizontal well per 2560-acre spacing unit drilled on a north-south orientation.

(50) The Ambrose-Bakken Pool in Zone IX is hereby defined as that accumulation of oil and gas found in the interval from the base of the Bakken Formation to 100 feet below the top of the Three Forks Formation in those 2560-acre spacing units described in paragraph (52) below. The Ambrose-Bakken Pool in the spacing units described in paragraph (53) below is as described in paragraph (9) above.

(51) All portions of the well bore not isolated by cement of any horizontal well in Zone IX in the Ambrose-Bakken Pool shall be located approximately down the north-south axis and no closer than 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.

(52) Sections 16, 17, 20, and 21; Sections 28, 29, 32, and 33; Sections 29, 30, 31, and 32, Township 163 North, Range 99 West; and Sections 25* and 36*, Township 163 North, Range 100 West and Sections 30 and 31, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated 2560-acre spacing units in Zone IX in the Ambrose-Bakken Pool.

*Sections 25 and 36 are within the West Ambrose Field.

(53) Sections 14, 15, 22, and 23; Sections 15, 16, 21, and 22; Sections 17, 18*, 19*, and 20; Sections 26, 27, 34, and 35, Township 163 North, Range 99 West; Sections 1 and 12, Township 162 North, Range 99 West and Sections 6 and 7, Township 162 North, Range 98 West; Sections 5**, 6, 7, and 8**; and Sections 17**, 18, 19, and 20**, Township 162 North, Range 98 West, Divide County, North Dakota, are hereby designated 2560-acre spacing units in Zone IX in the Ambrose-Bakken Pool.

*Sections 18 and 19 are within the West Ambrose Field.

**Sections 5, 8, 17, and 20 are within the Blooming Prairie Field.

(54) Spacing units hereafter created in Zone IX in the Ambrose-Bakken Pool shall consist of four adjacent governmental sections designated by the Commission.

(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 up to thirteen horizontal wells per standup 2560-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 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 X in the Ambrose-Bakken Pool.

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

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

(61) The proper spacing for the development of Zone XI in the Ambrose-Bakken Pool is hereby set at two horizontal wells per standup 4160-acre spacing unit.

(62) All portions of the well bore not isolated by cement of any horizontal well in Zone XI in the Ambrose-Bakken Pool shall be located approximately down the north-south axis and no closer than 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.

(63) Sections 25, 26, 35, and 36, Township 164 North, Range 99 West and Sections 1, 2, 11, and 12, Township 163 North, Range 99 West; and Sections 29, 30*, 31*, and 32, Township 164 North, Range 99 West and Sections 5, 6*, 7*, and 8, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated standup 4160-acre spacing units in Zone XI in the Ambrose-Bakken Pool.

*Sections 30, 31, 6, and 7 are within the West Ambrose Field.

(64) A horizontal well shall be completed in the standup 800-acre spacing unit described as Sections 26 and 35, Township 164 North, Range 99 West, Divide County, North Dakota, prior to completing any horizontal well in the standup 4160-acre spacing unit described as Sections 25, 26, 35, and 36, Township 164 North, Range 99 West and Sections 1, 2, 11, and 12, Township 163 North, Range 99 West, Divide County, North Dakota.

(65) In order to protect correlative rights and to justify the standup 4160-acre spacing units described as Sections 25, 26, 35, and 36, Township 164 North, Range 99 West and Sections 1, 2, 11, and 12, Township 163 North, Range 99 West; and Sections 29, 30*, 31*, and 32, Township 164 North, Range 99 West and Sections 5, 6*, 7*, and 8, Township 163 North, Range 99 West, Divide County, North Dakota, the two horizontal wells shall be drilled consecutively and target the same zone.

*Sections 30, 31, 6, and 7 are within the West Ambrose Field.

(66) Spacing units hereafter created in Zone XI in the Ambrose-Bakken Pool shall be designated by the Commission.

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

(68) The proper spacing for the development of Zone XII in the Ambrose-Bakken Pool is hereby set at two horizontal wells per standup 5120-acre spacing unit.

(69) All portions of the well bore not isolated by cement of any horizontal well in Zone XII in the Ambrose-Bakken Pool shall be located approximately down the north-south axis and no closer than 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.

(70) Sections 13, 14, 23, 24, 25, 26, 35, and 36, Township 163 North, Range 99 West; and Sections 13, 24, 25, and 36, Township 163 North, Range 99 West and Sections 18, 19, 30, and 31, Township 163 North, Range 98 West, Divide County, North Dakota, are hereby designated standup 5120-acre spacing units in Zone XII in the Ambrose-Bakken Pool.

(71) In order to protect correlative rights and to justify the standup 5120-acre spacing units described as Sections 13, 14, 23, 24, 25, 26, 35, and 36, Township 163 North, Range 99 West; and Sections 13, 24, 25, and 36, Township 163 North, Range 99 West and Sections 18, 19, 30, and 31, Township 163 North, Range 98 West, Divide County, North Dakota, the two horizontal wells shall be drilled consecutively and target the same zone.

(72) Spacing units hereafter created in Zone XII in the Ambrose-Bakken Pool shall consist of eight adjacent governmental sections designated by the Commission.

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

(74) 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.

(75) 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.

(76) 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.

(77) 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.

(78) 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 1000 pounds per square inch. If, at the end of 30 minutes this pressure has dropped 100 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.

(79) 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.

(80) 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.

(81) 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.

(82) 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.

(83) This portion of 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.

(84) Provisions established herein for the Colgan-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 (85) below shall not be subject to this order.

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

TOWNSHIP 164 NORTH, RANGE 101 WEST, 5TH PM
ALL OF SECTIONS 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 AND 36,

TOWNSHIP 164 NORTH, RANGE 100 WEST, 5TH PM
ALL OF SECTIONS 29, 30, 31 AND 32,

TOWNSHIP 163 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23 AND 24,

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 5, 6, 7, 8, 17, 18, 19 AND 20.

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

ZONE I (8/800H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 AND 36.

ZONE II (4/1280H-LAYDOWN)

TOWNSHIP 163 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 7 AND 8.

ZONE III (7/1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 13, 14, 15, 22, 23 AND 24,

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 5, 6, 7, 8, 17, 18, 19 AND 20.

ZONE IV (8/1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 3, 4, 9, 10, 11, 12, 16 AND 21.

ZONE V (8/1280H-LAYDOWN)

TOWNSHIP 163 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 5 AND 6.

ZONE VI (1600H-LAYDOWN)

TOWNSHIP 164 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 29, 30, 31 AND 32.

ZONE VII (2560H-NORTH/SOUTH ORIENTATION)

TOWNSHIP 163 NORTH, RANGE 101 WEST, 5TH PM

ALL OF SECTIONS 13, 14, 15, 22, 23 AND 24,

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM
ALL OF SECTIONS 4*, 5, 6, 7, 8, 9*, 16*, 17, 18, 19, 20 AND 21*.

*Sections 4, 9, 16, and 21 are within the West Ambrose Field.

(87) The Colgan-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, with an exception as noted in Zone VII below.

(88) The temporary spacing for the development of Zone I in the Colgan-Bakken Pool is hereby set at up to eight horizontal wells per standup 800-acre spacing unit.

(89) All portions of the well bore not isolated by cement of any horizontal well in Zone I in the Colgan-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.

(90) Sections 25 and 36; Sections 26 and 35; Sections 27 and 34; Sections 28 and 33; Sections 29 and 32; and Sections 30 and 31, Township 164 North, Range 101 West, Divide County, North Dakota, are hereby designated standup 800-acre spacing units in Zone I in the Colgan-Bakken Pool.

(91) Spacing units hereafter created in Zone I in the Colgan-Bakken Pool shall be standup spacing units designated by the Commission.

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

(93) The temporary spacing for the development of Zone II in the Colgan-Bakken Pool is hereby set at up to four horizontal wells per laydown 1280-acre spacing unit.

(94) All portions of the well bore not isolated by cement of any horizontal well in Zone II in the Colgan-Bakken Pool shall be no closer than 500 feet to the north or south boundary and 200 feet to the east or west 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.

(95) Sections 7 and 8, Township 163 North, Range 101 West, Divide County, North Dakota, are hereby designated a laydown 1280-acre spacing unit in Zone II in the Colgan-Bakken Pool.

(96) Spacing units hereafter created in Zone II in the Colgan-Bakken Pool shall be laydown spacing units consisting of two adjacent governmental sections.

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

(98) The temporary spacing for the development of Zone III in the Colgan-Bakken Pool is hereby set at up to seven horizontal wells per standup 1280-acre spacing unit.

(99) All portions of the well bore not isolated by cement of any horizontal well in Zone III in the Colgan-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.

(100) Sections 13 and 24; Sections 14 and 23; Sections 15 and 22, Township 163 North, Range 101 West; Sections 5 and 8; Sections 6 and 7; Sections 17 and 20; and Sections 18 and 19, Township 163 North, Range 100 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone III in the Colgan-Bakken Pool.

(101) Spacing units hereafter created in Zone III in the Colgan-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

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

(103) The temporary spacing for the development of Zone IV in the Colgan-Bakken Pool is hereby set at up to eight horizontal wells per standup 1280-acre spacing unit.

(104) All portions of the well bore not isolated by cement of any horizontal well in Zone IV in the Colgan-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.

(105) Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; Sections 4 and 9; and Sections 16 and 21, Township 163 North, Range 101 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone IV in the Colgan-Bakken Pool.

(106) Spacing units hereafter created in Zone IV in the Colgan-Bakken Pool shall be standup spacing units consisting of two adjacent governmental sections.

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

(108) The temporary spacing for the development of Zone V in the Colgan-Bakken Pool is hereby set at up to eight horizontal wells per laydown 1280-acre spacing unit.

(109) All portions of the well bore not isolated by cement of any horizontal well in Zone V in the Colgan-Bakken Pool shall be no closer than 500 feet to the north or south boundary and 200 feet to the east or west 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.

(110) Sections 5 and 6, Township 163 North, Range 101 West, Divide County, North Dakota, are hereby designated a laydown 1280-acre spacing unit in Zone V in the Colgan-Bakken Pool.

(111) Spacing units hereafter created in Zone V in the Colgan-Bakken Pool shall be laydown spacing units consisting of two adjacent governmental sections.

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

(113) The temporary spacing for the development of Zone VI in the Colgan-Bakken Pool is hereby set at one horizontal well per laydown 1600-acre spacing unit.

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

(115) Sections 29, 30, 31, and 32, Township 164 North, Range 100 West, Divide County, North Dakota, are hereby designated a laydown 1600-acre spacing unit in Zone VI in the Colgan-Bakken Pool.

(116) Spacing units hereafter created in Zone VI in the Colgan-Bakken Pool shall be laydown spacing units designated by the Commission.

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

(118) The proper spacing for the development of Zone VII in the Colgan-Bakken Pool is hereby set at one horizontal well per 2560-acre spacing unit drilled on a north-south orientation.

(119) The Colgan-Bakken Pool in Zone VII is hereby defined as that accumulation of oil and gas found in the interval from the base of the Bakken Formation to 100 feet below the top of the Three Forks Formation in those 2560-acre spacing units described in paragraph (121) below. The Colgan-Bakken Pool in the spacing units described in paragraph (122) below is as described in paragraph (87) above.

(120) All portions of the well bore not isolated by cement of any horizontal well in Zone VII in the Colgan-Bakken Pool shall be located approximately down the north-south axis and no closer than 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.

(121) Sections 13, 14, 23, and 24; Sections 14, 15, 22, and 23, Township 163 North, Range 101 West; Sections 4*, 5, 8, and 9*; and Sections 5, 6, 7, and 8, Township 163 North, Range 100 West, Divide County, North Dakota, are hereby designated 2560-acre spacing units in Zone VII in the Colgan-Bakken Pool.

*Sections 4 and 9 are within the West Ambrose Field.

(122) Sections 13 and 24, Township 163 North, Range 101 West and Sections 18 and 19, Township 163 North, Range 100 West; Sections 16*, 17, 20, and 21*; and Sections 17, 18, 19, and 20, Township 163 North, Range 100 West, Divide County, North Dakota, are hereby designated 2560-acre spacing units in Zone VII in the Colgan-Bakken Pool.

*Sections 16 and 21 are within the West Ambrose Field.

(123) Spacing units hereafter created in Zone VII in the Colgan-Bakken Pool shall consist of four adjacent governmental sections designated by the Commission.

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

(125) The operator of any horizontally drilled well in the Colgan-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.

(126) 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 Colgan-Bakken Pool.

(127) 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 Colgan-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 Colgan-Bakken Pool as the Commission deems appropriate.

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

(129) The following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the Colgan-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 1000 pounds per square inch. If, at the end of 30 minutes this pressure has dropped 100 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.

(130) 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 Colgan-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 5550 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.

(131) 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.

(132) For the purposes of division of production to owners of interests in spacing units established by this order, and proven productive prior to the date hereof, this order shall be retroactive to the date of first production.

(133) All wells in the Colgan-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.

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

(135) This portion of this order shall cover all of the Colgan-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. If the Colgan-Bakken Pool is still producing, the proper spacing for the pool will be considered by the Commission on or before its regularly scheduled hearing date in January, 2014. If, however, the Colgan-Bakken Pool is no longer producing when the proper spacing is to be considered, the Commission, at its own discretion, may refrain from scheduling a proper spacing hearing and may, without further notice, enter an order dismissing the proper spacing matter.

(136) Provisions established herein for the West 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 (137) below shall not be subject to this order.

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

TOWNSHIP 164 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 25, 26, 27, 28, 33, 34, 35 AND 36,

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 30 AND 31,

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 AND 36,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 6, 7, 18 AND 19,

TOWNSHIP 162 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35 AND 36.

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

ZONE I (800H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 30 AND 31.

ZONE II (1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 6 AND 7,

TOWNSHIP 162 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 3, 4, 9, 10, 16, 17, 20, 21, 25, 26, 27, 28, 33, 34, 35 AND 36.

ZONE III (4/1280H-STANDUP)

TOWNSHIP 162 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 11 AND 12.

ZONE IV (7/1280H-STANDUP)

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35 AND 36,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 18 AND 19,

TOWNSHIP 162 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 13, 14, 15, 18, 19, 22, 23, 24, 29, 30, 31 AND 32.

ZONE V (9/1600H-LAYDOWN)

TOWNSHIP 164 NORTH, RANGE 100 WEST, 5TH PM

ALL OF SECTIONS 25, 26, 27, 28, 33, 34, 35 AND 36.

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

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 30 AND 31,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 6 AND 7.

ZONE VII (2560H-NORTH/SOUTH ORIENTATION)

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM
ALL OF SECTIONS 1, 2, 3, 4, 9, 10, 11, 12, 13, 14, 15, 16, 21, 22, 23, 24, 25, 26, 27, 28, 33,
34, 35 AND 36,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 18 AND 19.

ZONE VIII (2/4160H-STANDUP)

TOWNSHIP 164 NORTH, RANGE 100 WEST, 5TH PM
ALL OF SECTIONS 25 AND 36,

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 30 AND 31,

TOWNSHIP 163 NORTH, RANGE 100 WEST, 5TH PM
ALL OF SECTIONS 1 AND 12,

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 6 AND 7.

(139) The West 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, with an exception as noted in Zone VII below.

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

(141) All portions of the well bore not isolated by cement of any horizontal well in Zone I in the West 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.

(142) Sections 30 and 31, Township 164 North, Range 99 West, Divide County, North Dakota, are hereby designated a standup 800-acre spacing unit in Zone I in the West Ambrose-Bakken Pool.

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

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

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

(146) All portions of the well bore not isolated by cement of any horizontal well in Zone II in the West 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.

(147) Sections 6 and 7, Township 163 North, Range 99 West; Sections 3 and 10; Sections 4 and 9; Sections 16 and 21; Sections 17 and 20; Sections 25 and 36; Sections 26 and 35; Sections 27 and 34; and Sections 28 and 33, Township 162 North, Range 100 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone II in the West Ambrose-Bakken Pool.

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

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

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

(151) All portions of the well bore not isolated by cement of any horizontal well in Zone III in the West 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.

(152) Sections 1 and 12; and Sections 2 and 11, Township 162 North, Range 100 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone III in the West Ambrose-Bakken Pool.

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

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

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

(156) All portions of the well bore not isolated by cement of any horizontal well in Zone IV in the West 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.

(157) Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; Sections 4 and 9; Sections 13 and 24; Sections 14 and 23; Sections 15 and 22; Sections 16 and 21; Sections 25 and 36; Sections 26 and 35; Sections 27 and 34; Sections 28 and 33, Township 163 North, Range 100 West; Sections 18 and 19, Township 163 North, Range 99 West; Sections 13 and 24; Sections 14 and 23; Sections 15 and 22; Sections 18 and 19; Sections 29 and 32; and Sections 30 and 31, Township 162 North, Range 100 West, Divide County, North Dakota, are hereby designated standup 1280-acre spacing units in Zone IV in the West Ambrose-Bakken Pool.

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

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

(160) The proper spacing for the development of Zone V in the West Ambrose-Bakken Pool is hereby set at up to nine horizontal wells per laydown 1600-acre spacing unit.

(161) All portions of the well bore not isolated by cement of any horizontal well in Zone V in the West Ambrose-Bakken Pool shall be no closer than 500 feet to the north or south boundary and 200 feet to the east or west 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.

(162) Sections 25, 26, 35, and 36; and Sections 27, 28, 33, and 34, Township 164 North, Range 100 West, Divide County, North Dakota, are hereby designated laydown 1600-acre spacing units in Zone V in the West Ambrose-Bakken Pool.

(163) Spacing units hereafter created in Zone V in the West Ambrose-Bakken Pool shall be laydown spacing units designated by the Commission.

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

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

(166) All portions of the well bore not isolated by cement of any horizontal well in Zone VI in the West 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.

(167) Sections 30 and 31, Township 164 North, Range 99 West and Sections 6 and 7, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated a standup 2080-acre spacing unit in Zone VI in the West Ambrose-Bakken Pool.

(168) A mirror offset horizontal well to the Nomad #0607-5H well (File No. 22988) shall be drilled and completed in the standup 2080-acre spacing unit in Sections 30 and 31, Township 164 North, Range 99 West, Divide County, North Dakota, and a mirror offset horizontal well to the Nomad #6-7-163-99H well (File No. 21579) shall be drilled and completed in the standup 800-acre spacing unit in Sections 30 and 31, Township 164 North, Range 99 West, Divide County, North Dakota, within twelve months of completing the Nomad #0607-5H well. If these conditions are not met, the Commission shall schedule the matter for consideration to reduce the size of the spacing unit.

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

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

(171) The proper spacing for the development of Zone VII in the West Ambrose-Bakken Pool is hereby set at one horizontal well per 2560-acre spacing unit drilled on a north-south orientation.

(172) The West Ambrose-Bakken Pool in Zone VII is hereby defined as that accumulation of oil and gas found in the interval from the base of the Bakken Formation to 100 feet below the top of the Three Forks Formation in those 2560-acre spacing units described in paragraph (174) below. The Colgan-Bakken Pool in the spacing units described in paragraph (175) below is as described in paragraph (139) above.

(173) All portions of the well bore not isolated by cement of any horizontal well in Zone VII in the West Ambrose-Bakken Pool shall be located approximately down the north-south axis and no closer than 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.

(174) Sections 2, 3, 10, and 11; Sections 3, 4, 9, and 10; Sections 13, 14, 23, and 24; Sections 14, 15, 22, and 23; Sections 15, 16, 21, and 22; Sections 25, 26, 35, and 36; Sections 26, 27, 34, and 35; Sections 27, 28, 33, and 34, Township 163 North, Range 100 West; and Sections 13 and 24, Township 163 North, Range 100 West and Sections 18 and 19, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated 2560-acre spacing units in Zone VII in the West Ambrose-Bakken Pool.

(175) Sections 1, 2, 11, and 12, Township 163 North, Range 100 West, Divide County, North Dakota, are hereby designated a 2560-acre spacing unit in Zone VII in the West Ambrose-Bakken Pool.

(176) Spacing units hereafter created in Zone VII in the West Ambrose-Bakken Pool shall consist of four adjacent governmental sections designated by the Commission.

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

(178) The proper spacing for the development of Zone VIII in the West Ambrose-Bakken Pool is hereby set at two horizontal wells per standup 4160-acre spacing unit.

(179) All portions of the well bore not isolated by cement of any horizontal well in Zone VIII in the West Ambrose-Bakken Pool shall be located approximately down the north-south axis and no closer than 200 feet to the north or south boundary of the spacing unit with the exception of the exceptions outlined in paragraph (180) below. Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.

(180) All portions of the well bore not isolated by cement of any horizontal well drilled between Sections 1 and 12, Township 163 North, Range 100 West; and Sections 6 and 7, Township 163 North, Range 99 West, Divide County, North Dakota, shall be within a 500-foot corridor straddling the north-south section lines between said sections. All portions of the well bore not isolated by cement of any horizontal well drilled between Sections 25 and 36, Township 164 North, Range 100 West; and Sections 30 and 31, Township 164 North, Range 99 West, Divide County, North Dakota, shall be within a 250-foot corridor, from the west lines of said Sections 30 and 31 to the east.

(181) Sections 25 and 36, Township 164 North, Range 100 West, Sections 30 and 31, Township 164 North, Range 99 West, Sections 1 and 12, Township 163 North, Range 100 West, and Sections 6 and 7, Township 163 North, Range 99 West, Divide County, North Dakota, are hereby designated a standup 4160-acre spacing unit in Zone VIII in the West Ambrose-Bakken Pool.

(182) In order to protect correlative rights and to justify the standup 4160-acre spacing unit described as Sections 25 and 36, Township 164 North, Range 100 West; Sections 30 and 31, Township 164 North, Range 99 West; Sections 1 and 12, Township 163 North, Range 100 West; and Sections 6 and 7, Township 163 North, Range 99 West, Divide County, North Dakota, the two horizontal wells shall be drilled consecutively and target the same zone.

(183) Spacing units hereafter created in Zone VIII in the West Ambrose-Bakken Pool shall be designated by the Commission.

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

(185) The operator of any horizontally drilled well in the West 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.

(186) 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 West Ambrose-Bakken Pool.

(187) 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 West 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 West Ambrose-Bakken Pool as the Commission deems appropriate.

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

(189) The following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the West 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 1000 pounds per square inch. If, at the end of 30 minutes this pressure has dropped 100 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.

(190) 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 West 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 5600 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.

(191) 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.

(192) All wells in the West 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 wellhead 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 wellhead equipment into tanks from the ultimate producing interval after casing has been run, if the necessity therefor can be demonstrated to his satisfaction.

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

(194) This order shall cover all of the West Ambrose-Bakken Pool, common source of supply of crude oil and/or natural gas as herein defined, and shall continue in full force and effect until further order of the Commission or until the last well in the pool has been plugged and abandoned.

(195) This portion of this order shall cover all of the West Ambrose-Bakken Pool, common source of supply of crude oil and/or natural gas as herein defined, and shall continue in full force and effect until further order of the Commission or until the last well in the pool has been plugged and abandoned.

Dated this 14th day of March, 2014.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

SFN 5729

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

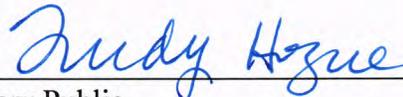
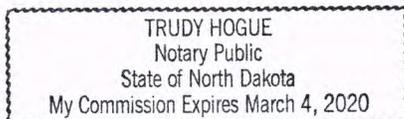
I, Belinda Dickson, being duly sworn upon oath, depose and say: That on the 19th day of March, 2014 enclosed in separate envelopes true and correct copies of the attached Order No. 23741 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 21399:

JOHN MORRISON
CROWLEY FLECK PLLP
PO BOX 2798
BISMARCK ND 58502



Belinda Dickson
Oil & Gas Division

On this 19th day of March, 2014 before me personally appeared Belinda Dickson 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

SFN 5729

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

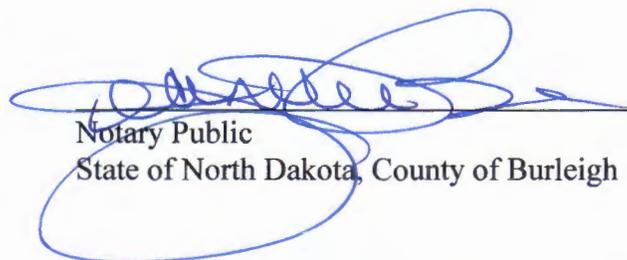
I, Belinda Dickson, being duly sworn upon oath, depose and say: That on the 19th day of March, 2014 enclosed in separate envelopes true and correct copies of the attached Order No. 23741 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 21399:

JOHN MORRISON
CROWLEY FLECK PLLP
PO BOX 2798
BISMARCK ND 58502



Belinda Dickson
Oil & Gas Division

On this 24th day of April, 2014 before me personally appeared Belinda Dickson 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: Thursday, January 30, 2014 11:33 AM
To: Hicks, Bruce E.
Cc: Kadrmass, Bethany R.
Subject: Telephonic Affidavits
Attachments: SM - Critchfield Telephonic Aff 21401, 21599.pdf; SM - Bryant Telephonic Aff 21401, 21599, 21600.pdf; SM - Bundy Telephonic Aff 21401, 21599, 21600.pdf; SM - Drange Telephonic Aff 21600.pdf; SM - Heringer Telephonic Aff 21399.pdf; SM - Kintzing Telephonic Aff 21399.pdf; SM - Millard Telephonic Aff 21399.pdf; SM - Green Telephonic Aff 21601-21603.pdf

Attached please find telephonic affidavits in Case Nos. 21401, 21599, 21600, 21399 and 21601-21603. Thank you.

Lisa

CROWLEY | FLECK^{PLLP}
ATTORNEYS

Lisa Herberholz

Administrative Assistant
Crowley Fleck PLLP
100 West Broadway Avenue, Suite 250
P.O. Box 2798
Bismarck, ND 58502
Direct 701.224.7538
Fax 701.222.4853
✉ lherberholz@crowleyfleck.com

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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.

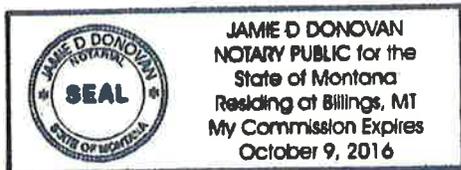
I, Shawn Heringer, do hereby confirm that I presented testimony under oath in North Dakota Industrial Commission Case Number 21399 on January 15, 2014. My testimony was presented by telephone from (406) 867-8930, SM Energy, 550 North 31st Street, Suite 500, Billings, Montana, 59103-7168.


(Affiant's Signature)

STATE OF MONTANA)
) ss.
COUNTY OF YELLOWSTONE)

On January 29, 2014, 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)

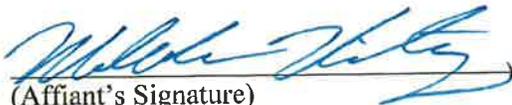



Notary Public
State of Montana, County of Yellowstone
My Commission Expires: 10-9-2016

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.

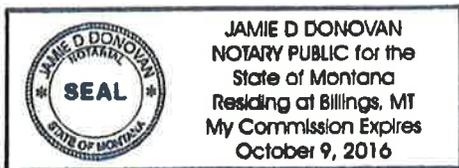
I, Malcolm Kintzing, do hereby confirm that I presented testimony under oath in North Dakota Industrial Commission Case Number 21399 on January 15, 2014. My testimony was presented by telephone from (406) 867-8930, SM Energy, 550 North 31st Street, Suite 500, Billings, Montana, 59103-7168.


(Affiant's Signature)

STATE OF MONTANA)
) ss.
COUNTY OF YELLOWSTONE)

On January 29, 2014, Malcolm Kintzing, 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
My Commission Expires: 10-9-2016

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, Mark Millard, do hereby confirm that I presented testimony under oath in North Dakota Industrial Commission Case Number 21399 on January 15, 2014. My testimony was presented by telephone from (406) 867-8930, SM Energy, 550 North 31st Street, Suite 500, Billings, Montana, 59103-7168.

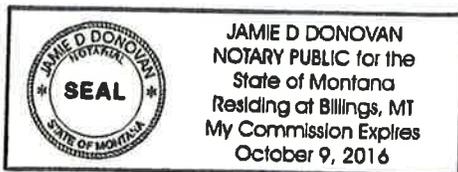


(Affiant's Signature)

STATE OF MONTANA)
) ss.
COUNTY OF YELLOWSTONE)

On January 29, 2014, Mark Millard, 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
My Commission Expires: _____

**BEFORE THE NORTH DAKOTA
INDUSTRIAL COMMISSION**

CASE NO. 21399 (Continued)

**APPLICATION FOR AN ORDER AMENDING THE
APPLICABLE ORDERS, INCLUDING WITHOUT
LIMITATION ORDER NO. 22099, TO ALLOW AN
ADDITIONAL HORIZONTAL WELL TO BE
DRILLED IN THE MIDDLE MEMBER OF THE
BAKKEN FORMATION IN FIVE 2560-ACRE
SPACING UNITS DESCRIBED AS SECTIONS 13 AND 24,
T.163N., R.101W. AND SECTIONS 18 AND 19, T.163N.,
R.100W.; SECTIONS 1, 2, 11 AND 12; SECTIONS
16, 17, 20 AND 21; SECTIONS 17, 18, 19 AND 20, T.163N.,
R.100W.; AND SECTIONS 17, 18, 19 AND 20, T.163N.,
R.99W., OR GRANTING SUCH OTHER RELIEF AS
MAY BE APPROPRIATE.**

**AMBROSE, WEST AMBROSE, AND COLGAN-BAKKEN POOL
Divide County, ND**

January 15, 2014

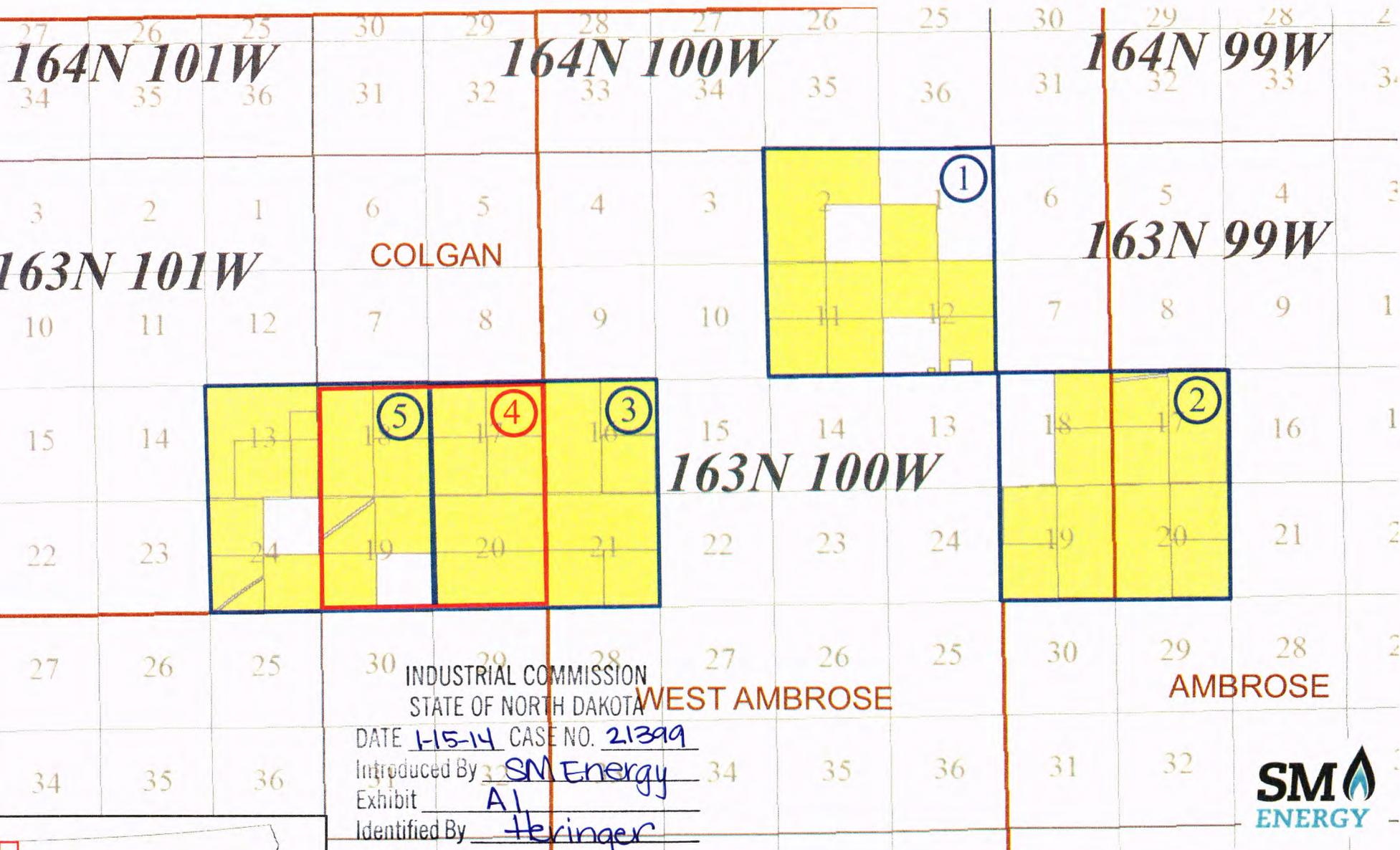
SM ENERGY COMPANY



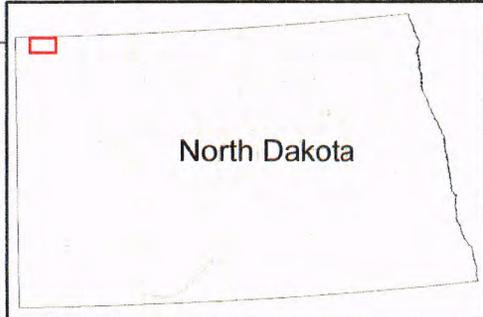
CASE NO. 21399 (Continued)

INDEX

Exhibit A1	Spacing Unit Map
Exhibit A2	Spacing Unit Ownership Summary
Exhibit B1	Structure Map
Exhibit B2	Structure Map
Exhibit C	Cross Section
Exhibit D	1280 Bakken Well Locations
Exhibit E	Production Type Curve
Exhibit F	Bakken Reservoir Data & Volumetrics/Gas Sales



INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 1-15-14 CASE NO. 21399
 Introduced By SM Energy
 Exhibit A1
 Identified By Heringer



- Five 2,560 Acre Spacing Units**
1. Sections 1, 2, 11 and 12, T.163N., R.100W;
 2. Sections 17, 18, 19 and 20, T.163N., R.99W.;
 3. Sections 16, 17, 20 and 21, T.163N., R.100W.;
 4. Sections 17, 18, 19 and 20, T.163N., R.100W.;
 5. Sections 18 and 19, T.163N., R.100W., and Sections 13 and 24, T.163N., R.101W.;

EXHIBIT A1
 Spacing Unit Map
 Divide County, ND
NDIC CASE NO. 21399 (Continued)
 January 15, 2014



① Summary Ownership: T163N-R100W SECS. 1, 2, 11, 12 2561.92 Acre Unit		T163N-R100W SECS. 1 & 12 1280.80 Acre Unit		T163N-R100W SECS. 2 & 11 1281.12 Acre Unit	
WI OWNER		WI OWNER	GWI	WI OWNER	GWI
SM Energy Company	57.1659%	SM Energy Company	30.5934%	SM Energy Company	83.7317%
Crescent Point Energy U.S. Corp.	8.4523%	Crescent Point Energy U.S. Corp.	16.9066%	Samson Resources Company	6.5568%
American Eagle Energy Corporation	5.7684%	American Eagle Energy Corporation	11.3353%	Bakken Hunter, LLC	4.6834%
NextEra Energy Gas Producing, LLC	5.6669%	NextEra Energy Gas Producing, LLC	11.3353%	Williston Hunter, Inc.	1.2489%
Murex Petroleum Corporation	4.7490%	Murex Petroleum Corporation	9.3848%	J. Hiram Moore, Ltd, et al.	1.0928%
Davis Exploration, LLC	3.0787%	Davis Exploration, LLC	6.1583%	Balance Non-Op Owners	2.6864%
Samson Resources Company	4.2337%	Samson Resources Company	1.9101%		100.0000%
Bakken Hunter, LLC	3.0241%	Bakken Hunter, LLC	1.3644%		
MBI Oil & Gas, LLC	0.5353%	MBI Oil & Gas, LLC, et al.	1.0708%		
Balance Non-Op Owners	7.3256%	Balance Non-Op Owners	9.9411%		
	100.0000%		100.0000%		

② Summary Ownership: T163N-R99W SECS. 17, 18, 19, 20 2546.32 Acre Unit		T163N-R99W SECS. 17 & 20 1280 Acre Unit		T163N-R99W SECS. 18 & 19 1266.32 Acre Unit	
WI OWNER	GWI	WI OWNER	GWI	WI OWNER	GWI
SM Energy Company	73.6400%	SM Energy Company	81.9772%	SM Energy Company	65.2127%
Pride Energy Company	4.6578%	Armstrong Oil & Gas, Inc.	4.1729%	Whiting Oil and Gas Corp.	12.9997%
Armstrong Oil & Gas, Inc.	2.0977%	Samson Resources Company	3.5219%	Pride Energy Company	9.3659%
Samson Resources Company	3.3899%	Bakken Hunter, LLC	2.5156%	Samson Resources Company	3.2566%
Whiting Oil and Gas Corp.	6.4649%	Marcin Production, LLC	1.5625%	Bakken Hunter, LLC	2.3261%
Bakken Hunter, LLC	2.4214%	Wolf Energy, LLC	0.7813%	The Pfanensteil Company, LLC	2.7341%
The Pfanensteil Company, LLC	1.3597%	Black Bullion, LLC	0.7813%	Durango Production Corp.	1.0462%
Williston Hunter, Inc.	0.6457%	Williston Hunter, Inc.	0.6708%	Balance Non-Op Owners	3.0587%
Durango Production Corp.	0.5203%	Balance Non-Op Owners	4.0166%		100.0000%
Balance Non-Op Owners	4.8026%		100.0000%		
	100.0000%				

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-15-14 CASE NO. 21399
Introduced By SM Energy
Exhibit A2
Identified By Heringer



③ Summary Ownership: T163N-R100W SECS. 16, 17, 20, 21 2560 Acre Unit		T163N-R100W SECS. 16 & 21 1280 Acre Unit		T163N-R100W SECS. 17 & 20 1280 Acre Unit	
WI OWNER	GWI	WI OWNER	GWI	WI OWNER	GWI
SM Energy Company	92.6105%	SM Energy Company	87.0250%	SM Energy Company	98.1961%
Crescent Point Energy U.S. Corp.	5.8388%	Crescent Point Energy U.S. Corp.	11.6775%	G-4, LLC Oil Partners	0.9020%
American Eagle Energy Corp.	0.6488%	American Eagle Energy Corp.	1.2975%	Geronimo Holding Corporation	0.9020%
G-4, LLC Oil Partners	0.4510%		100.0000%		100.0000%
Geronimo Holding Corporation	0.4510%				
	100.0000%				

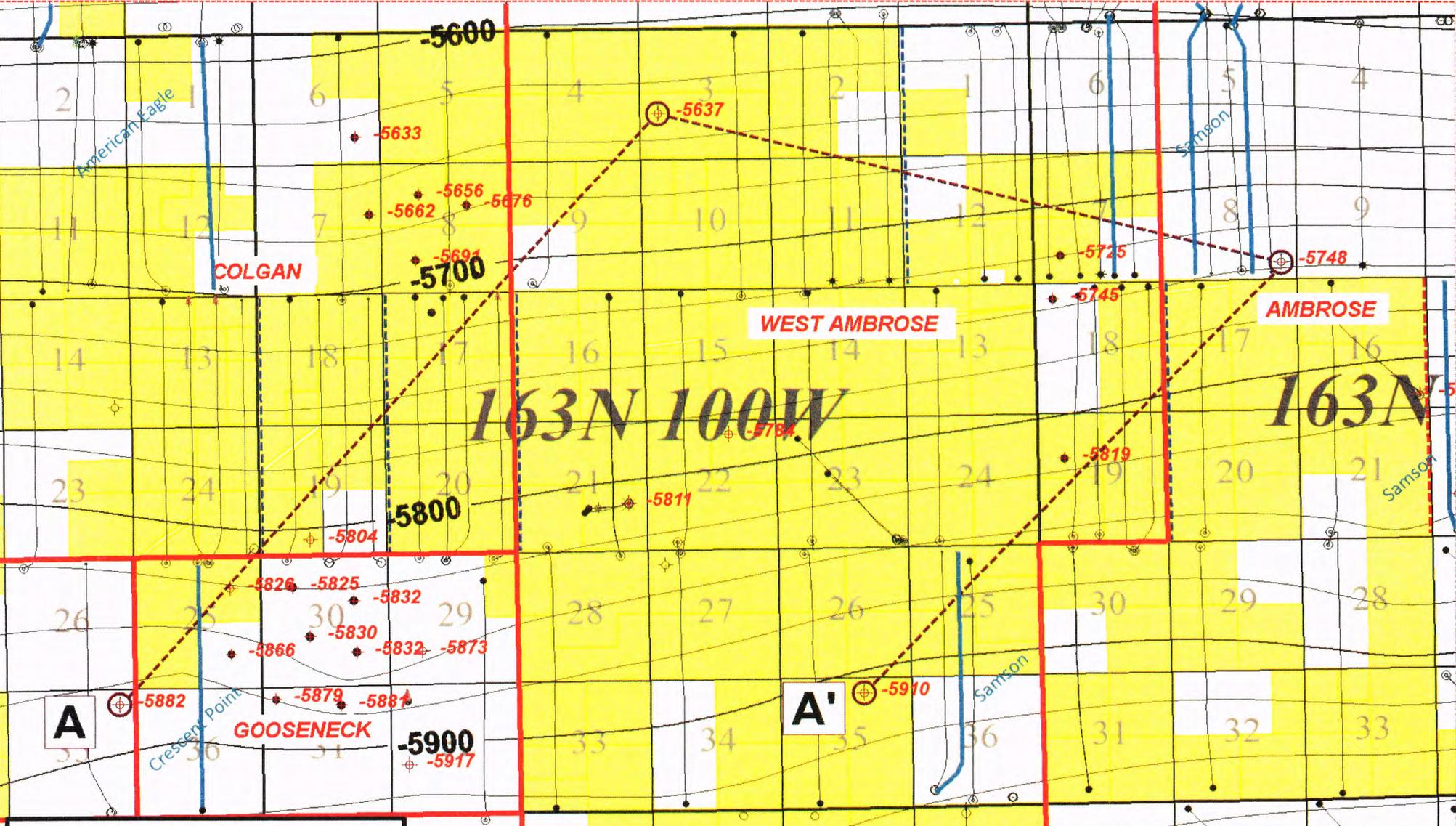
④ Summary Ownership: T163N-R100W SECS. 17, 18, 19, 20 2529.04 Acre Unit		T163N-R100W SECS. 17 & 20 1280 Acre Unit		T163N-R100W SECS. 18 & 19 1249.04 Acre Unit	
WI OWNER	GWI	WI OWNER	GWI	WI OWNER	GWI
SM Energy Company	78.5218%	SM Energy Company	98.1961%	SM Energy Company	58.3599%
Crescent Point Energy U.S. Corp.	5.9496%	G-4, LLC Oil Partners	0.9020%	Crescent Point Energy U.S. Corp.	12.0467%
Murex Petroleum Corporation	3.5807%	Geronimo Holding Corporation	0.9020%	Murex Petroleum Corporation	7.2502%
Whiting Petroleum Corporation	2.3724%		100.0000%	Whiting Petroleum Corporation	4.8037%
American Eagle Energy Corp.	1.9122%			American Eagle Energy Corp.	3.8717%
NextEra Energy Gas Production	1.9122%			NextEra Energy Gas Production	3.8717%
Geronimo Holding Corporation	0.8238%			Geronimo Holding Corporation	0.7438%
Northern Oil & Gas, Inc.	1.5816%			Northern Oil & Gas, Inc.	3.2025%
Pride Energy Company	1.1862%			Pride Energy Company	2.4019%
Durango Production Corporation	1.1862%			Durango Production Corporation	2.4019%
Balance Non-Op Owners	0.9731%			Balance Non-Op Owners	1.0461%
	100.0000%				100.0000%

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-15-14 CASE NO. 21399
Introduced By SM Energy
Exhibit A2
Identified By Heringer



5 Summary Ownership: Secs. 18 & 19 -T163N-R100W Secs. 13 & 24 -T163N-R101W 2529.04 Acre Unit		T163N-R100W SECS. 18 & 19 1249.04 Acre Unit		T163N-R101W SECS. 13 & 24 1280 Acre Unit	
WI OWNER	GWI	WI OWNER	GWI	WI OWNER	GWI
SM Energy Company	60.6932%	SM Energy Company	58.3599%	SM Energy Company	62.9700%
Crescent Point Energy U.S. Corp.	18.4256%	Crescent Point Energy U.S. Corp.	12.0467%	Crescent Point Energy U.S. Corp.	24.6501%
Murex Petroleum Corporation	4.4594%	Murex Petroleum Corporation	7.2502%	American Eagle Energy Corp.	4.0363%
Whiting Petroleum Corporation	2.3724%	Whiting Petroleum Corporation	4.8037%	NextEra Energy Gas Production	3.3290%
American Eagle Energy Corp.	3.9550%	American Eagle Energy Corp.	3.8717%	Murex Petroleum Corporation	1.7361%
NextEra Energy Gas Production	3.5970%	NextEra Energy Gas Production	3.8717%	Wallace and Virginia Herrieds	1.4063%
Wallace and Virginia Herrieds	0.7117%	Geronimo Holding Corporation	0.7438%	Balance Non-Op Owners	1.8722%
Northern Oil & Gas, Inc.	1.5816%	Northern Oil & Gas, Inc.	3.2025%		<u>100.0000%</u>
Pride Energy Company	1.1862%	Pride Energy Company	2.4019%		
Durango Production Corporation	1.1862%	Durango Production Corporation	2.4019%		
Balance Non-Op Owners	<u>1.8315%</u>	Balance Non-Op Owners	<u>1.0461%</u>		
	100.0000%		100.0000%		

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-15-14 CASE NO. 21399
Produced By SM Energy
Exhibit A2
Identified By Heringer

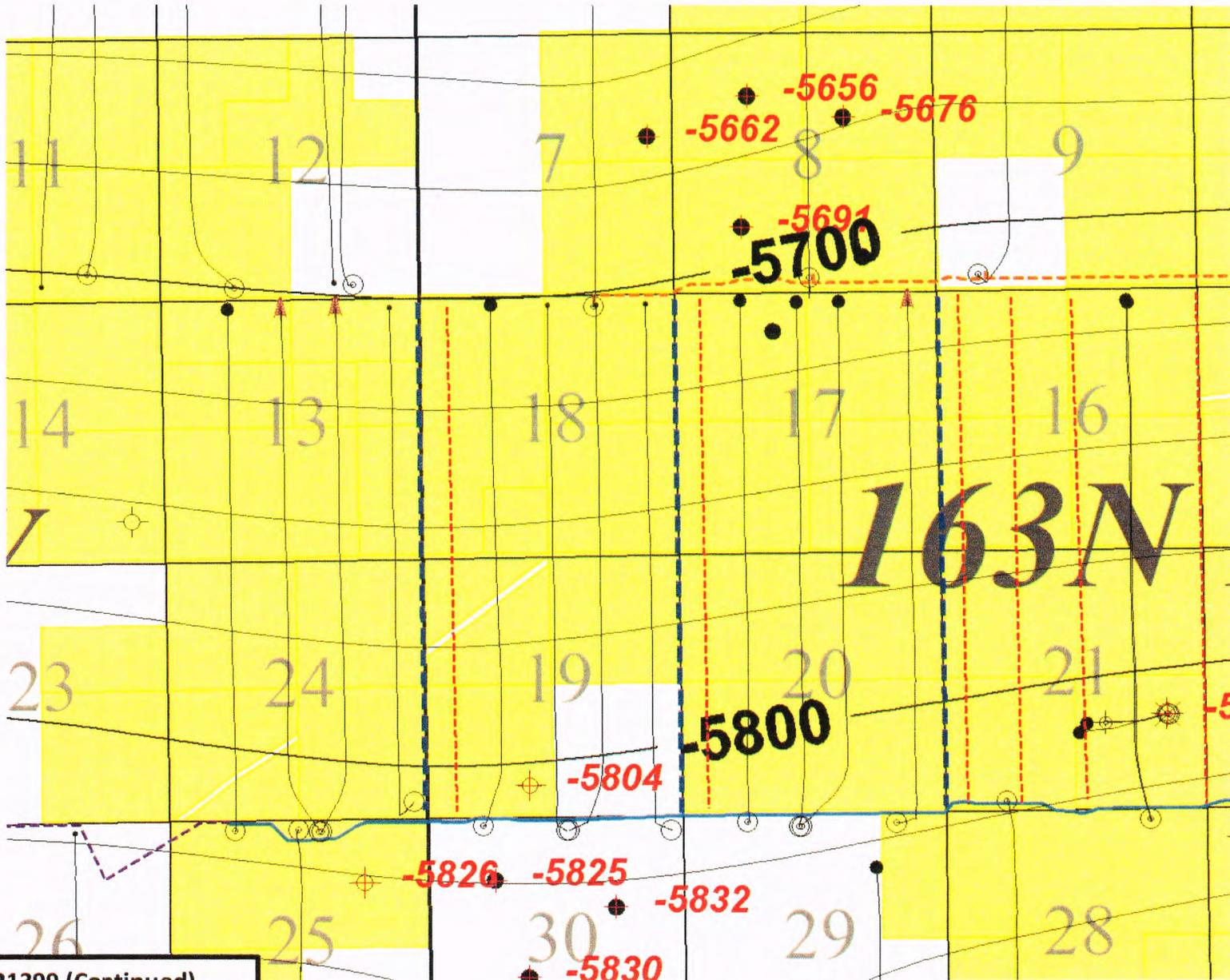


CASE NO. 21399 (Continued)
EXHIBIT B1
STRUCTURE MAP
TOP UPPER BAKKEN SHALE
 C.I. = 25 FEET
 RLB 1-6-14

- - - - - PROPOSED BAKKEN 2560 WELLS
 ———— CURRENT FIELD OUTLINES
 ———— BAKKEN PRODUCING WELLS

INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 1-15-14 CASE NO. 21399
 Introduced By SM Energy
 Exhibit B1
 Identified By Millard





CASE NO. 21399 (Continued)

EXHIBIT B2

STRUCTURE MAP

TOP UPPER BAKKEN SHALE

C.I. = 25 FEET

RLB

12-2-13

--- THREE FORKS DEVELOPMENT WELLS
 --- PROPOSED BAKKEN 2560 WELLS

INDUSTRIAL COMMISSION

STATE OF NORTH DAKOTA

DATE 1-15-14 CASE NO. 21399

Produced By SM Energy

Exhibit B2

Identified By Millard



A

3302300720000
LOUISIANA LAND EXPL
STATE WIGNESS 41-30 1
660 FNL 660 FEL
TWP 163 N - Range 101W - Sec 35

22374 R

33023004510000
KAISER-FRANCIS OIL
SPYGLASS 7-1
SE SE NE
TWP 163 N - Range 100W - Sec 7

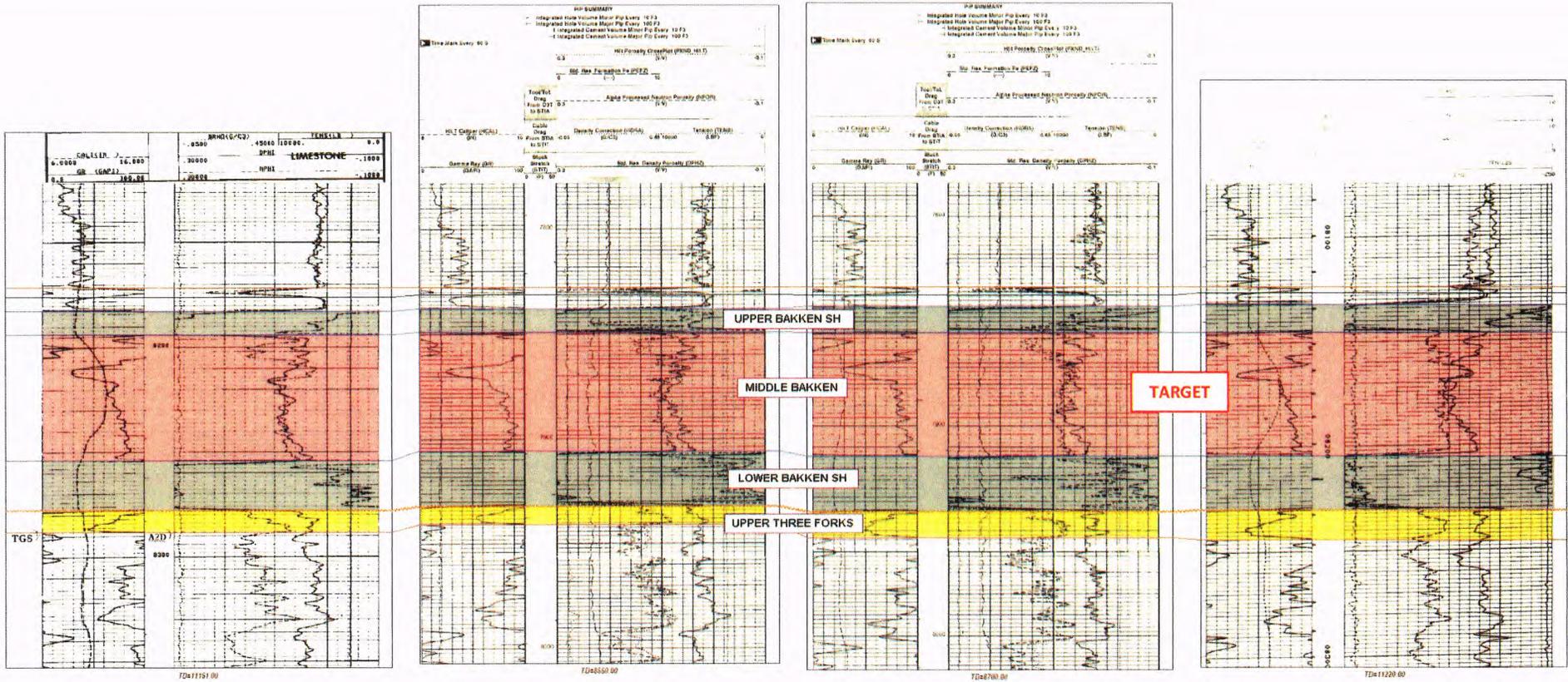
20005 R

3302300460000
KAISER-FRANCIS OIL
OAKMONT 7-1
NE SW SW
TWP 163 N - Range 99 W - Sec 7

19407 R

3302301360000
CONOCO INCORPORATED
CONOCO MOE 35 1
660 FNL 1800 FEL
TWP 163 N - Range 100W - Sec 35

A'



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

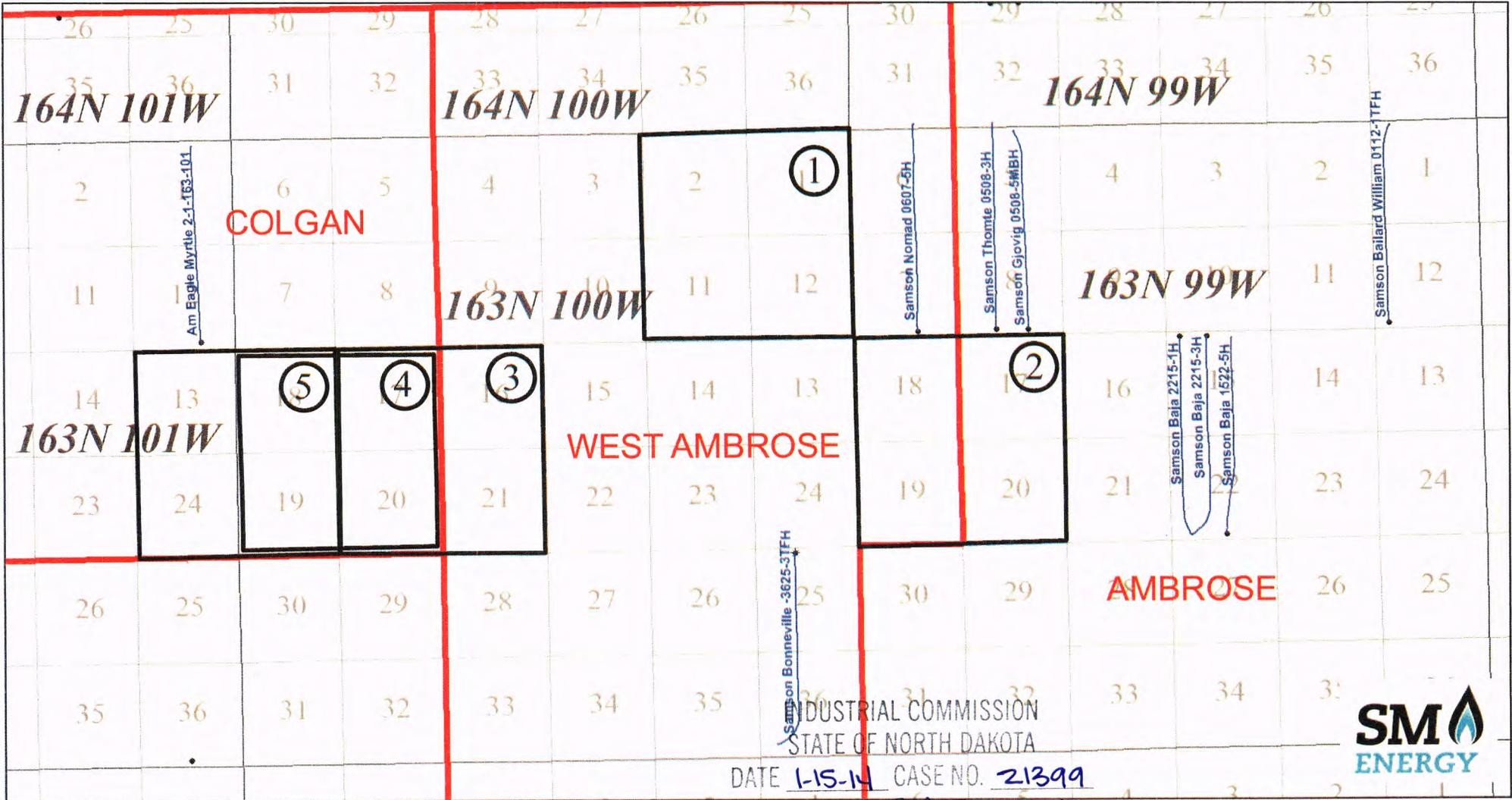
DATE 1-15-14 CASE NO. 21399
Produced By SM Energy
Exhibit C
Identified By Millard

CASE NO. 21399 (Continued)
EXHIBIT C
CROSS SECTION A-A'

RLB

1-6-14

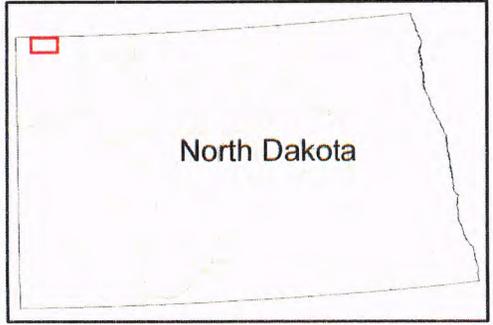




DATE 1-15-14 CASE NO. 21399

Introduced By SM Energy

Exhibit D
Identified By Kintzing



- Key**
- = Bakken Well
 - = Proposed 2560 Spacing Unit
 - = Oil/Gas Field

EXHIBIT D
1280 Bakken Well Locations
Divide County, ND
NDIC CASE NO. 21399 (Continued)
January 15, 2014

NDIC CASE 21399 (Continued)
 EXHIBIT E
 Ambrose, Cologan, and West Ambrose-Bakken Pools
 Amend Field Rules
 Divide County, ND

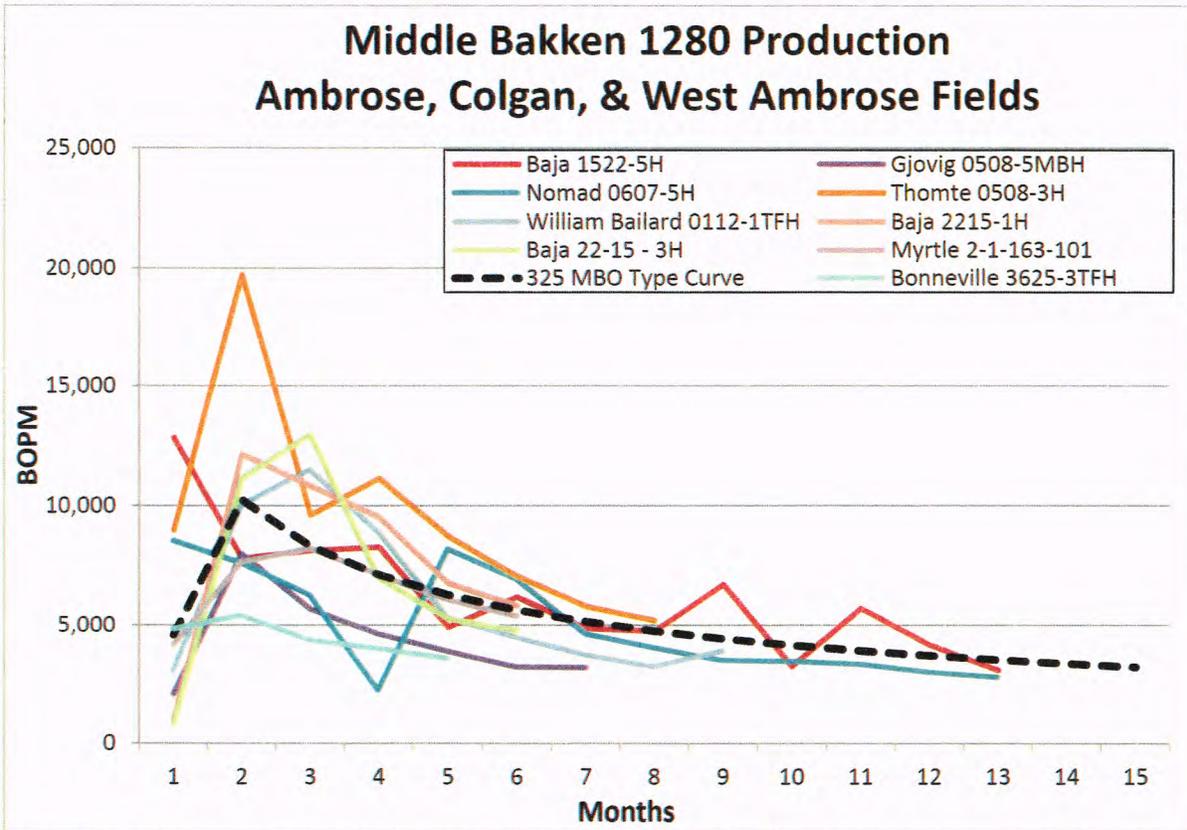


Exhibit H shows the monthly production performance of Middle Bakken 1,280's drilled in the Ambrose, Colgan, and West Ambrose Fields. The estimated average performance of the Middle Bakken meets the 325 MBO type curves, which yields economic results.

INDUSTRIAL COMMISSION
 STATE OF NORTH DAKOTA
 DATE 1-15-14 CASE NO 21399
 Introduced By SM Energy
 Exhibit E
 Identified By Kintzing

NDIC CASE 21399 (Continued)
EXHIBIT F
Ambrose, Cologan, and West Ambrose-Bakken Pools
Amend Field Rules
Divide County, ND

The table below shows reservoir data approximations for the Bakken and Three Forks used in evaluating the spacing unit. Both intervals are considered future targets for infill development.

Estimated Reservoir Data, and Volumetrics		
Reservoir	Three Forks	Bakken
Porosity (%)	~8%	~7%
Oil Saturation (%)	~70%	~50%
Net Pay Thickness (ft)	~12'	~55'
Drainage Area (Acres)	1,280	1,280
Oil FVF (RB/STB)	1.3	1.3
OOIP (MMBO)	5.13 MMBO	14.70 MMBO
Recoverable Reserves (per well)	370 MBO	325 MBO
Single Well Recovery Factor	7.2%	2.2%
4 Well Recovery Factor	28.8%	8.8%
Initial GOR	600 SCF/BBL	600 SCF/BBL

The table below shows "Single Well" economics assumptions for an individual well targeting the Bakken or Three Forks formation. D&C investment assumes a multi-stage completion. Using the inputs below, the resulting economics meet our corporate hurdles.

Typical Single-Well Economic Data	Three Forks	Bakken
D&C Investment	\$6,500,000	\$6,500,000
Base OPEX	\$6,250/month	\$6,250/month
30 Day IP	330 BOPD	340 BOPD
Ultimate Recovery	370 MBO	325 MBO
Oil Price (Effective)	\$90/bbl	\$90/bbl
Gas Price (Effective)	\$4.00/MMBTU	\$4.00/MMBTU
ROR	45%	35%
Payout (Undiscounted)	2.12 Years	2.49 Years

Gas Sales

SM has signed a gas purchase agreement with ONEOK for gas gathering in this area. ONEOK is currently constructing gathering lines and well connections. Currently 25 of SM Energy's 46 operated wells in the area are connected to gas sales lines. All SM-operated wells in the Ambrose, Colgan, and West Ambrose Fields should be connected to gas sales by the first Quarter of 2014.

DATE: 1-15-14
 BY: SM Energy
 F
 Approved By: Kintzing

Kadrmass, Bethany R.

From: Lisa Herberholz <ljurgens3@crowleyfleck.com>
Sent: Monday, December 16, 2013 2:58 PM
To: Kadrmass, Bethany R.
Cc: Shawn Heringer; John W. Morrison
Subject: Continue Case
Attachments: NDIC Ltr - Continue 21399.pdf

Please see the attached request to continue Case No. 21399. Thank you.

Lisa

**Please note our address change for the Bismarck office below.*

CROWLEY | FLECK PLLP
ATTORNEYS

Lisa Herberholz

Administrative Assistant
Crowley Fleck PLLP
100 West Broadway Avenue, Suite 250
P.O. Box 2798
Bismarck, ND 58502
Direct 701.224.7538
Fax 701.222.4853
✉ lherberholz@crowleyfleck.com

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P.O. Box 2798
Bismarck, ND 58502-2798
Office: 701.223.6585
Direct: 701.224.7534
jmorrison@crowleyfleck.com

December 16, 2013

Via Electronic Mail

Bethany Kadrmas
Oil & Gas Division
ND INDUSTRIAL COMMISSION
600 E. Blvd. Ave., Dept. 405
Bismarck, ND 58505-0840

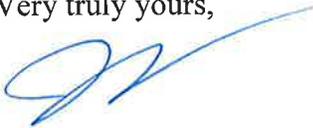
**In re: SM Energy Co.
Case No. 21399**

Dear Bethany:

On December 18, 2013, SM Energy Co. intends to request that Case No. 21399 be continued until the regularly scheduled January, 2014 hearings.

If you have any questions, please let me know.

Very truly yours,



John W. Morrison

lh

cc (via e-mail): Shawn Heringer

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA



Application of SM Energy Company for an amending the applicable orders for the Ambrose-Bakken, West Ambrose-Bakken, and Colgan-Bakken pools, including without limitation Order No. 22099, to allow an additional horizontal well to be drilled in the middle member of the Bakken Formation in 5 2560-acre spacing units described as all of Sections 13 and 24, T.163N., R. 101W. and 18 and 19, T.163N., R. 100W.; all of Sections 1, 2, 11 and 12, Sections 16, 17, 20 and 21, Sections 17, 18, 19 and 20, T. 163 N., R.100W., and all of Sections 17, 18, 19 and 20, T. 163 N., R. 99 W., all in Divide County, ND, or granting such other relief as may be 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 13 and 14, Township 163 North, Range 101 West, Sections 1, 2, 11, 12, 16, 17, 18, 19, 20, and 21, Township 163 North, Range 100 West, and Sections 17, 18, 19 and 20, Township 163 North, Range 99 West, Divide County, North Dakota.

2. In Order No. 22099, the Commission established three 2560-acre spacing units in the Colgan-Bakken pool consisting of Sections 13 and 24, Township 163 North, Range 101 West, and 18 and 19, Township 163 North, Range 100 West, Sections 16, 17, 20 and 21 and Sections 17, 18, 19 and 20, Township 163 North, Range 100 West; one 2560-acre spacing unit in the West Ambrose-Bakken pool consisting of Sections 1, 2, 11 and 12, Township 163 North, Range 100 West; and one 2560-acre spacing unit in the Ambrose-Bakken pool consisting of Sections 17, 18, 19 and 20, Township 163 North, Range 99 West. While Order No. 22099 allowed one horizontal well to be drilled in the Three Forks formation, it provided that the

middle member of the Bakken Formation should not be allowed as lease line wells until their economic viability is established.

3. Further activity in the area has established the economic viability of drilling horizontal wells in the middle member of the Bakken Formation, and applicant requests that Order No. 22099 and any other applicable orders be amended to authorize an additional well to be drilled in the middle member of the Bakken formation on each of these 2560-acre spacing units.

4. In applicant's opinion, such will prevent waste, protect correlative rights, and prevent the drilling of unnecessary wells.

5. Applicant requests that it be allowed to present testimony by telephone pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code.

WHEREFORE, applicant respectfully requests that this matter be set for hearing at the regularly scheduled hearings in December, 2013 and that thereafter the Commission enter its order granting the relief requested.

Dated this 15th day of November, 2013.

SM ENERGY COMPANY

CROWLEY FLECK PLLP
Attorneys for the Applicant
Suite 600, 400 East Broadway
P.O. Box 2798
Bismarck, ND 58502

By: _____

JOHN W. MORRISON

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
jmorrison@crowleyfleck.com

November 15, 2013

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



In re: SM Energy Company Applications

Dear Mr. Hicks:

Please find enclosed for filing two applications for the December, 2013 regular docket.

Thank you.

Very truly yours,

John W. Morrison

lh
enc.

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

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The Finder

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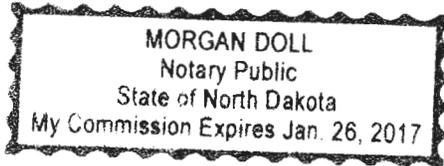
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12/23/13	12/23/13	1	Case No. 21584 Bismarck Tribune PO:Notice of Hearing	491.00	Legals	397.71	397.71

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 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:
12/23 Signed Colin Kuntz
 sworn and subscribed to before me this 31st
 day of December 2013
Morgan Doll
 Notary Public in and for the State of North Dakota



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

Remarks	Total Due
	397.71

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 LaCrosse, WI 54602-4001

**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, January 15, 2014, at the N.D. Oil & Gas Division, 1000 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, January 02, 2014.

STATE OF NORTH DAKOTA TO:

Case No. 21584: Proper spacing for the development of the Strandahl-Bakken Pool, Williams County, ND, redefine the field limits, and enact such special field rules as may be necessary. HRC Operating, LLC; Marathon Oil Co.; Oasis Petroleum North America LLC

Case No. 21585: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Alger-Bakken Pool to establish three overlapping 2560-acre spacing units consisting of Sections 19 and 30, T.156N., R.92W, and Sections 24 and 25, T.156N., R.93W; Sections 1, 2, 11 and 12, T.156N., R.93W; and Sections 21, 22, 27 and 28, T.156N., R.93W, Mountrail County, ND, and allow one or more horizontal wells to be drilled thereon, or granting such other relief as may be appropriate.

Case No. 21586: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Baker-Bakken Pool to establish an overlapping 2560-acre spacing units consisting of Sections 29, 30, 31 and 32, T.153N., R.100W, McKenzie and Williams Counties, ND, and allow one or more horizontal wells to be drilled thereon, or granting such other relief as may be appropriate.

Case No. 21587: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Cow Creek-Bakken Pool, Williams County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21588: Proper spacing for the development of the North Taylor-Winnipeg Gas Pool, Stark County, ND, redefine the field limits, and enact such special field rules as may be necessary. BTA Oil Producers, LLC

Case No. 21589: Proper spacing for the development of the Clear Creek-Tyler Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Petro-Hunt, LLC

Case No. 21590: Application of Whiting Oil and Gas Corp. for an order amending the applicable orders for the Sanish-Bakken Pool, to establish either four 320-acre spacing units consisting of the W/2 of Section 3, T.152N., R.93W, the W/2 of Section 24, and the W/2 of Section 25, T.153N., R.92W, and the N/2 of Section 30, T.153N., R.91W, Mountrail County, ND, or alternatively establish four 640-acre spacing units consisting of all of said Sections 3, 24, 25 and 30, and authorize the drilling of one horizontal well on such spacing unit, or granting such other relief as may be appropriate.

Case No. 21216: (Continued) 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. Burlington Resources Oil & Gas Co. LP; Whiting Oil and Gas Corp.

Case No. 21392: (Continued) Proper spacing for the development of the Chateau-Three Forks Pool, Billings County, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.

Case No. 21327: (Continued) Proper spacing for the development of the Park-Bakken Pool, Billings County, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.

Case No. 20607: (Continued) Application of QEP Energy Co. for an order amending the applicable orders for the Van Hook-Bakken Pool to allow up to sixteen wells to be drilled on a 3200-acre spacing unit described as Sections 26, 27, 28, 29 and 30, T.150N., R.92W, Mountrail and Dunn Counties, ND, or for such other relief as

Case No. 21591: Application of QEP Energy Co. for an order amending the applicable orders for the Blue Buttes-Bakken Pool to establish an overlapping 2560-acre spacing unit consisting of Sections 14, 15, 22 and 23, T.150N., R.95W, McKenzie County, ND, and allow one or more horizontal wells to be drilled on such 2560-acre spacing unit, or for such other relief as may be appropriate.

Case No. 21592: Application of QEP Energy Co. for an order amending the applicable orders for the Blue Buttes and/or Spotted Horn-Bakken Pools to establish three new overlapping 1280-acre spacing units consisting of (i) the W/2 of Sections 13 and 24 and E/2 of Sections 14 and 23; (ii) the W/2 of Sections 15 and 22 and the E/2 of Sections 16 and 21; and (iii) the W/2 of Sections 16 and 21 and E/2 of Sections 17 and 20, T.150N., R.95W, McKenzie County, ND, and allow one or more horizontal wells to be drilled on each such 1280-acre spacing unit, or for such other relief as may be appropriate.

Case No. 21593: Application of QEP Energy Co. for an order amending the applicable orders for the Grail, Spotted Horn, Squaw Creek, Eagle Nest, Blue Buttes, and/or Bear Den-Bakken Pools to establish six new overlapping 1280-acre spacing units consisting of (i) the W/2 of Sections 25 and 36 and the E/2 of Sections 26 and 35, T.150N., R.95W; (ii) the W/2 of Sections 29 and 32 and the E/2 of Sections 30 and 31, T.150N., R.95W; (iii) the W/2 of Sections 28 and 33 and the E/2 of Sections 29 and 32, T.149N., R.95W; (iv) the W/2 of Sections 11 and 12 and the E/2 of Sections 2 and 11, T.149N., R.95W; (v) the W/2 of Sections 13 and 24 and the E/2 of Sections 14 and 23, T.149N., R.95W; and (vi) the W/2 of Sections 25 and 36 and the E/2 of Sections 26 and 35, T.149N., R.95W, McKenzie County, ND, and allow one or more horizontal wells to be drilled on each such 1280-acre spacing unit, or for such other relief as may be appropriate.

Case No. 21594: Application of QEP Energy Co. for an order amending the applicable orders for the Heart Butte-Bakken Pool to establish five new overlapping 1280-acre spacing units consisting of (i) all of Sections 1, T.149N., R.92W, and Section 6, T.149N., R.91W; (ii) the N/2 of Section 1, T.149N., R.92W, the N/2 of Section 6, T.149N., R.91W, the S/2 of Section 36, T.150N., R.92W, and the S/2 of Section 31, T.150N.,

R.91W; (iii) the E/2 of Sections 30 and 31 and the W/2 of Sections 29 and 32, T.150N., R.91W; (iv) all of Sections 29 and 32, T.150N., R.91W; and (v) all of Sections 3 and 4, T.149N., R.91W, all in Dunn, McLean and Mountrail Counties, ND, and allow two horizontal wells to be drilled on each such 1280-acre spacing unit, or for such other relief as may be appropriate.

Case No. 21595: Application of QEP Energy Co. for an order amending the applicable orders for the Deep Water Creek Bay-Bakken Pool, Dunn and McLean Counties, ND, to alter the definition of the stratigraphic limits of the pool and such other and further relief as may be 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. 21596: Application of Hess Corp. for an order amending the applicable orders for the Alkali Creek and Robinson Lake-Bakken Pools to establish two overlapping 2560-acre spacing units consisting of Sections 25 and 36, T.154N., R.94W, and Sections 30 and 31, T.154N., R.93W, and Sections 29, 30, 31 and 32, T.154N., R.93W, Mountrail County, ND, for the purpose of drilling a horizontal well on the common spacing unit boundary; and granting such other and further relief as may be appropriate.

Case No. 21597: Application of Hess Corp. for an order amending the applicable orders for the Tioga-Bakken Pool to establish a 1920-acre spacing unit consisting of Sections 23 and 24, T.157N., R.95W, Williams County, ND, and Section 19, T.157N., R.94W, Mountrail County, ND, and authorize up to seven horizontal wells to be drilled on thereon, or granting such other and further relief as may be appropriate.

Case No. 21598: Application of Hess Corp. for an order amending the applicable orders for the Tioga-Bakken Pool, Burke, Mountrail,

and Williams Counties, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21401: (Continued) Application of SM Energy Co. for an order amending the applicable orders for the Bear Den-Bakken Pool, McKenzie County, ND, to establish an overlapping 2560-acre spacing unit consisting of Sections 25 and 36, T.149N., R.96W, and Sections 30 and 31, T.149N., R.95W, and authorize one or more horizontal wells to be drilled thereon, or granting such other relief as is appropriate.

Case No. 21599: Application of SM Energy Co. for an order amending the applicable orders for the Bear Den-Bakken Pool to allow up to six wells to be drilled upon a 640-acre spacing unit described as Section 25, T.149N., R.96W, McKenzie County, ND, at any location not closer than 200 feet to any boundary of the spacing unit or granting such other relief as is appropriate.

Case No. 21600: Application of SM Energy Co. for an order amending the applicable orders for the Poe-Bakken Pool, McKenzie County, ND, to establish an overlapping 2560-acre spacing unit consisting of Sections 1, 2, 11 and 12, T.151N., R.100W, and authorize a horizontal well to be drilled thereon, or granting such other relief as is appropriate.

Case No. 21399: (Continued) Application of SM Energy Co. for an order amending the applicable orders for the Ambrose, West Ambrose, and Colgan-Bakken Pools, including without limitation Order No. 22099, to allow an additional horizontal well to be drilled in the middle member of the Bakken Formation in five 2560-acre spacing units described as Sections 13 and 24, T.163N., R.101W, and Sections 18 and 19, T.163N., R.100W; Sections 1, 2, 11 and 12; Sections 16, 17, 20 and 21; Sections 17, 18, 19 and 20, T.163N., R.100W; and Sections 17, 18, 19 and 20, T.163N., R.99W, Divide County, ND, or granting such other relief as may be appropriate.

Case No. 21601: Application of SM Energy Co. for an order amending the applicable orders for the Ambrose-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21602: Application of SM Energy Co. for an order amending the applicable orders for the West Ambrose-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21603: Application of SM Energy Co. for an order amending the applicable orders for the Colgan-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21604: Application of Murex Petroleum Corp. for an order amending the applicable orders for the Writing Rock-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21605: Application of OXY USA, Inc. for an order amending the applicable orders to allow wells completed in the Murphy Creek-Bakken Pool, Dunn County, ND, to produce at a maximum efficient rate and flare gas produced in association with oil, or for such other relief as may be applicable.

Case No. 21407: (Continued) Application of OXY USA, Inc. for an order amending the applicable orders to allow wells completed in the Crooked Creek-Bakken Pool, Dunn County, ND, to produce at a maximum efficient rate and flare gas produced in association with oil, or for such other relief as may be applicable.

Case No. 21606: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Stockyard Creek-Bakken Pool to create five overlapping 2560-acre spacing units consisting of Sections 1, 2, 11 and 12; Sections 2, 3, 10 and 11; Sections 3, 4, 9 and 10; Sections 4, 5, 8 and 9; and Sections 5, 6, 7 and 8, T.154N., R.99W, Williams County, ND, and authorize up to two horizontal wells to be drilled on each such 2560-acre spacing unit or granting such other relief as may be appropriate.

Case No. 21607: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Truax-Bakken Pool to create two overlapping 2560-acre spacing units consisting of Sections 26, 27, 34 and 35; and Sections 27, 28, 33 and 34, T.154N., R.98W, Williams County, ND, and authorize up to two horizontal wells to be drilled on each such 2560-acre spacing unit or granting such other relief as may be appropriate.

Case No. 19399: (Continued) Proper spacing for the development of the Twin Buttes-Bakken Pool, Dunn County, ND, redefine the field limits, and enact such special field rules as may be necessary. Kodiak Oil & Gas (USA) Inc.

Case No. 21608: Application of Williston Exploration, LLC for an order establishing a 160-acre drilling unit consisting of the S/2 SW/4 of Section 9 and N/2 NW/4 of Section 16, T.137N., R.99W, Stark County, ND, and allowing a vertical well to be drilled in the Tyler Pool at any location thereon not closer than 500 feet to the boundary, or granting such other and further relief as may be appropriate.

Case No. 21609: Application of Earthworks, Inc., in accordance with NDAC § 43-02-03-51, for an order authorizing the construction of an oil treating and oilfield waste treating/processing facility to be located in the NESE Section 1, T.146N., R.96W, Dunn County, ND, for the purpose of salvaging, treating and recycling upstream petroleum wastes.

Case No. 21424: (Continued) Application of Buffalo Hills, LLC, in accordance with NDAC § 43-02-03-51, for an order authorizing the construction of an oil treating and oilfield waste treating/processing facility to be located in the SESE Section 30, T.144N., R.95W, Dunn County, ND, for the purpose of salvaging, treating and recycling upstream petroleum wastes.

Case No. 21610: Application of Zargon Oil (ND) Inc. pursuant to NDAC § 43-02-03-88.1 for an order allowing oil and gas produced from the Zargon Mackabee Coulee HZ 3-16-158-85 well, to be drilled in the NWNE of Section 16, T.158N., R.85W, Renville County, ND, to be commingled with other production in the Bryans Central Tank Battery No. 205688 central production facility pursuant to NDAC § 43-02-03-48.1 or granting such other and further relief as may be appropriate.

Case No. 21611: Application of Zargon Oil (ND) Inc. for an order amending the applicable orders for the Mackabee Coulee-Madison Pool to allow up to three horizontal wells to be drilled on a 320-acre spacing unit consisting of the N/2 of Section 16, T.158N., R.85W, Renville County, ND, or granting such other relief as may be appropriate.

Case No. 21612: Application of Petro-Hunt, L.L.C. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 21 and 28, T.158N., R.94W, East Tioga-Bakken Pool, Mountrail County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21613: Application of Petro-Hunt, L.L.C. for an order amending the applicable orders for the Clear Creek-Bakken Pool to authorize up to four horizontal wells to be drilled on a spacing unit consisting of Section 27, T.152N., R.96W, McKenzie County, ND, and such other relief as is appropriate.

Case No. 21614: Application of Petro-Hunt, L.L.C. for an order amending the applicable orders for the North Tioga-Bakken Pool, Burke, Divide and Williams Counties, ND, to authorize up to two horizontal wells to be drilled on each 2560-acre spacing unit included within Zones IX and X, and such other relief as is appropriate.

Case No. 21615: Application of QEP Energy Co. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 10, 11, 14

and 15, T.149N., R.91W., Heart Butte-Bakken Pool, Dunn and McLean Counties, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21616: Application of QEP Energy Co. for an order amending the applicable orders for the Squires-Bakken Pool to allow up to seven horizontal wells to be drilled on three existing 1280-acre spacing units consisting of Sections 14 and 23; Sections 22 and 27; and Sections 25 and 26, T.155N., R.102W., Williams County, ND, or for such other relief as may be appropriate.

Case No. 21617: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Stockyard Creek-Bakken Pool to authorize up to twelve horizontal wells to be drilled on six 1280-acre spacing units described as Sections 1 and 12; Sections 2 and 11; Sections 3 and 10; Sections 4 and 9; Sections 5 and 8; and Sections 6 and 7, T.154N., R.99W., Williams County, ND, and granting such other relief as may be appropriate.

Case No. 21618: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Truax-Bakken Pool to authorize up to fifteen horizontal wells to be drilled on a 1280-acre spacing unit described as Sections 28 and 33, T.154N., R.98W., Williams County, ND, and granting such other relief as may be appropriate.

Case No. 21619: Application of Hess Corp. for an order amending the applicable orders for the Sanish-Bakken Pool to authorize up to seventeen horizontal wells to be drilled on a 1280-acre spacing unit described as Sections 15 and 22, T.153N., R.93W., Mountrail County, ND, and granting such other and further relief as may be appropriate.

Case No. 21620: 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 1, 2, 11, and 12, T.151N., R.100W., Poe-Bakken Pool, McKenzie County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21621: Application of Whiting Oil and 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.141N., R.100W., St. Demetrius-Bakken Pool, Billings County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman, ND Industrial Commission
12/23 - 20697002



Affidavit of Publication

State of North Dakota, County of Divide, ss:

I, Cecile L. Krimm, 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 ND Industrial Commission Oil and Gas Division

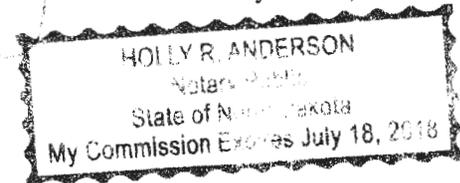
a printed copy of which is here attached, was published in The Journal on the following date:

December 25, 2013	235 lines @ 0.63 = \$148.05
December 25, 2013	96 lines @ 0.63 = \$60.48
TOTAL CHARGE	\$208.53

Signed *Cecile L. Krimm*
Cecile L. Krimm, Publisher

Subscribed and sworn to before me December 25, 2013

Holly R. Anderson
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, January 15, 2014, at the N.D. Oil & Gas Division, 1000 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, January 02, 2014.

**STATE OF NORTH
DAKOTA TO:**

Case No. 21399: (Continued) Application of SM Energy Co. for an amending the applicable orders for the Ambrose, West Ambrose, and Colgan-Bakken Pools, including without limitation Order No. 22099, to allow an additional horizontal well to be drilled in the middle member of the Bakken Formation in five 2560-acre spacing units described as Sections 13 and 24, T.163N., R.101W. and Sections 18 and 19, T.163N., R.100W.; Sections 1, 2, 11 and 12; Sections 16, 17, 20 and 21;

Sections 17, 18, 19 and 20, T.163N., R.100W.; and Sections 17, 18, 19 and 20, T.163N., R.99W., Divide County, ND, or granting such other relief as may be appropriate.

Case No. 21601: Application of SM Energy Co. for an order amending the applicable orders for the Ambrose-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21602: Application of SM Energy Co. for an order amending the applicable orders for the West Ambrose-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21603: Application of SM Energy Co. for an order amending the applicable orders for the Colgan-Bakken Pool, Divide County,

ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21604: Application of Murex Petroleum Corp. for an order amending the applicable orders for the Writing Rock-Bakken Pool, Divide County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be

Case No. 21614: Application of Petro-Hunt, L.L.C. for an order amending the applicable orders for the North Tioga-Bakken Pool, Burke, Divide and Williams Counties, ND, to authorize up to two horizontal wells to be drilled on each 2560-acre spacing unit included within Zones IX and X, and such other relief as is appropriate.

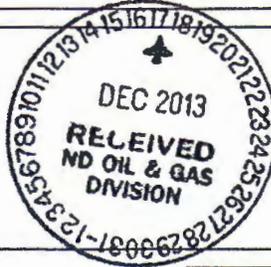
Signed by,
/s/Jack Dalrymple, Governor
Chairman, ND Industrial

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I, _____ (Notary Public for the State of North Dakota)
do hereby certify that _____ who being duly sworn, deposes
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and that the publication(s) were made through the
Bismarck Tribune on the following dates:
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sworn and subscribed to before me this 27th
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**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, December 18, 2013, at the N.D. Oil & Gas Division, 1000 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 you are hearing you need special facilities or assistance, contact the Oil and Gas Division at 701-328-8038 by Thursday, December 05, 2013.

STATE OF NORTH DAKOTA TO:

Case No. 21390: On a motion of the Commission to consider appropriate spacing for the True Oil LLC #33-35 2-11MB1 True Federal (File No. 26202), with a surface location in the NWSE of Section 35, T.148N., R.101W., Bowline Field, McKenzie County, ND.

Case No. 21391: Proper spacing for the development of the Bell-Bakken Pool, Stark County, ND, redefine the field limits, and enact such special field rules as may be necessary. Continental Resources, Inc.; Whiting Oil and Gas Corp.

Case No. 21392: Proper spacing for the development of the Chateau-Three Forks Pool, Billings County, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.

Case No. 21393: Proper spacing for the development of the Gaylord-Bakken Pool, Billings and Stark Counties, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.

Case No. 21394: Proper spacing for the development of the Green River-Bakken Pool, Stark County, ND, redefine the field limits, and enact such special field rules as may be necessary. Fidelity Exploration & Production Co.; Whiting Oil and Gas Corp.

Case No. 21395: Proper spacing for the development of the Zenith-Bakken Pool, Stark County, ND, redefine the field limits, and enact such special field rules as may be necessary. Fidelity Exploration & Production Co.; Whiting Oil and Gas Corp.

Case No. 21396: Proper spacing for the development of the North Creek-Bakken Pool, Stark County, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.

Case No. 21397: Proper spacing for the development of the Park-Bakken Pool, Billings County, ND, redefine the field limits, and enact such special field rules as may be necessary. Whiting Oil and Gas Corp.

Case No. 21220: (Continued) Temporary spacing to develop an oil and/or gas pool covered by the Whiting Oil and Gas Corp. #12-31 Davidson, Lot 2 Section 31, 11N., R.104W., Golden Valley County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 21221: (Continued) Temporary spacing to develop an oil and/or gas pool covered by the Whiting Oil and Gas Corp. #33-11 McDonold, NWSE Section 142N., R.105W., Golden Valley County, ND, define the field limits, and enact such special field rules as may be necessary.

Case No. 21215: (Continued) In the matter hearing called on a motion of the Commission to consider the termination, by other appropriate action, of the West Starbuck-Spearfish Unit, Beau County, ND, operated by Petrostar Operating Company, LLC.

Case No. 21398: Application of Petrostar Operating Co., LLC for an order regarding the Rice #14 (File No. 22863) completed in the Renville-Madison Pool location approximately 840 feet from the north line and 1915 feet from the east Section 8, T.161N., R.82W., Bottineau County, ND, as an exception to any applicable orders or requirements, or for such other relief as may be appropriate.

Case No. 21399: Application of SM Energy Co. for an order amending the applicable orders for the Ambrose, West Ambrose, and Baker-Bakken Pools, including without limitation Order No. 22099, to allow an additional horizontal well to be drilled in the middle member of the Bakken Pool at a location approximately

described as Sections 13 and 24, T.163N., R.101W. and Sections 18 and 19, T.163N., R.100W.; Sections 1, 2, 11 and 12; Sections 16, 17, 20 and 21; Sections 17, 18, 19 and 20, T.163N., R.100W.; and Sections 17, 18, 19 and 20, T.163N., R.99W., Divide County, ND, or granting such other relief as may be appropriate.

Case No. 21400: Application of SM Energy Co. for an order amending the applicable orders for the Ambrose-Bakken Pool to establish an overlapping 2560-acre spacing unit consisting of Sections 15, 16, 21 and 22, T.163N., R.99W., Divide County, ND, and authorize the drilling of a horizontal well at any location thereon, or granting such other relief as may be appropriate.

Case No. 21401: Application of SM Energy Co. for an order amending the applicable orders for the Bear Den-Bakken Pool, McKenzie County, ND, to establish an overlapping 2560-acre spacing unit consisting of Sections 25 and 36, T.149N., R.96W., and Sections 30 and 31, T.149N., R.95W., and authorize one or more horizontal wells to be drilled thereon, or granting such other relief as is appropriate.

Case No. 21402: Application of QEP Energy Co. for an order allowing the MHA 5-32-31H-150-90 (File No. 24421) to be completed at a location as close as 475 feet to the north line of a spacing unit described as the SE/4 NW/4, S/2 NE/4, NE/4 SW/4 and N/2 SE/4 of Section 31 and the S/2 N/2 and N/2 S/2 of Section 32, T.150N., R.90W., McLean County, ND, as an exception to the applicable requirements of the Deep Water Creek Bay-Bakken Pool, or granting such other relief as may be appropriate.

Case No. 21403: Application of OXY USA, Inc., to amend the applicable orders for the Cabernet-Bakken Pool to establish a 160-acre drilling or spacing unit for the Cabernet-Madison Pool consisting of the NW/4 of Section 1, T.143N., R.97W., Dunn County, ND, and authorize the Stroh 11-H well to be recompleted in the Cabernet-Madison Pool at any location not closer than 500 feet to the boundary of said drilling or spacing unit, or granting such other and further relief as may be appropriate.

Case No. 21404: Application of OXY USA, Inc., to amend the applicable orders for the Cabernet-Bakken Pool to establish two 640-acre spacing units consisting of Section 1 and Section 12, T.143N., R.97W., Dunn County, ND, and allow up to three horizontal wells to be drilled thereon in addition to the wells currently allowed on the existing 1280-acre spacing unit consisting of said lands; or granting such other and further relief as may be appropriate.

Case No. 21405: Application of OXY USA, Inc., to amend the applicable orders for the Mighty Creek-Bakken Pool to establish two 640-acre spacing units consisting of Section 18 and Section 19, T.143N., R.95W., Dunn County, ND, and allow up to two horizontal wells to be drilled thereon in addition to the wells currently allowed on the existing 1280-acre spacing unit consisting of said lands; or granting such other and further relief as may be appropriate.

Case No. 21406: Application of OXY USA, Inc., to amend the applicable orders for the Willmen-Bakken Pool to establish two 640-acre spacing units consisting of Section 16 and Section 21, T.142N., R.97W., Dunn County, ND, and allow up to two horizontal wells to be drilled thereon in addition to the wells currently allowed on the existing 1280-acre spacing unit

consisting of said lands; or granting such other and further relief as may be appropriate.

Case No. 21407: Application of OXY USA, Inc. for an order amending the applicable orders to allow wells completed in the Crooked Creek-Bakken Pool, Dunn County, ND, to produce at a maximum efficient rate and flare gas produced in association with oil, or for such other relief as may be appropriate.

Case No. 21408: Application of Oasis Petroleum North America LLC for an order allowing the Rivera #5892 21-30T (File No. 25723) well to be completed with a portion of well bore not isolated by cement to be potentially open to the Bakken Pool at a location approximately

from the east line of Section 25, T.158N., R.93W., Mountrail County, ND, as an exception to the applicable requirements of the Deep Water Creek Bay-Bakken Pool, and such other relief as is appropriate.

Case No. 21409: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Gros Ventre-Bakken Pool to establish two overlapping 2560-acre spacing units consisting of Sections 9, 10, 15 and 16; and Sections 15, 16, 21 and 22, T.160N., R.93W., Burke County, ND, and allow one or more horizontal wells to be drilled thereon, or granting such other relief as may be appropriate.

Case No. 21410: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Baker-Bakken Pool to establish two overlapping 2560-acre spacing units consisting of Sections 19, 20, 29 and 30; and Sections 29, 30, 31 and 32, T.153N., R.100W., McKenzie and Williams Counties, ND, and allow one or more horizontal wells to be drilled thereon, or granting such other relief as may be appropriate.

Case No. 21411: Application of Oasis Petroleum North America LLC for an order amending the applicable orders for the Cottonwood-Bakken Pool, Burke and Mountrail Counties, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21412: Application of Hess Corp. for an order amending the applicable orders for the Tioga-Bakken Pool to establish a 1280-acre spacing unit consisting of Section 24, T.157N., R.95W., Williams County, ND, and Section 19, T.157N., R.94W., Mountrail County, ND, and authorize up to three horizontal wells to be drilled on thereon, or granting such other and further relief as may be appropriate.

Case No. 21413: Application of Hess Corp. for an order amending the applicable orders for the Cherry Creek-Bakken Pool to establish two overlapping 2560-acre spacing units consisting of Sections 1, 2, 11 and 12; and Sections 14, 23 and 24, T.149N., R.99W., McKenzie County, ND, for the purpose of drilling one or more horizontal wells on the common spacing unit boundary; and granting such other and further relief as may be appropriate.

Case No. 21414: Application of Hess Corp. for an order amending the applicable orders for the Little Knife and the Big Gulch-Bakken Pools to establish an overlapping 2560-acre spacing unit consisting of Sections 1 and 12 and Sections 2 and 11, T.147N., R.97W., Dunn County, ND, for the purpose of drilling one or more horizontal wells on the common spacing unit boundary; and granting such other and further relief as may be appropriate.

Case No. 21415: Application of Hess Corp. for an order amending the applicable orders for the Little Knife-Bakken Pool to establish an overlapping 2560-acre spacing unit consisting of Sections 13, 14, 23 and 24, T.147N., R.97W., Dunn County, ND, for the purpose of drilling one or more horizontal wells on the common spacing unit boundary; and granting such other and further relief as may be appropriate.

Case No. 21416: Application of Hess Corp. for an order amending the applicable orders for the Bear Creek and the Cedar Coulee-Bakken Pools to establish an overlapping 1280-acre spacing unit consisting of Sections 15 and 16, T.147N., R.96W., Dunn County, ND, for the purpose of drilling one or more horizontal wells on the common spacing unit boundary; and granting such other and further relief as may be appropriate.

Case No. 21417: Application of Hess Corp. for an order amending the applicable orders for the Cedar Coulee-Bakken Pool, Dunn County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21418: Application of Hess Corp. for an order amending the applicable orders for the Cherry Creek-Bakken Pool, McKenzie County, ND, to allow all wells to produce oil at an unrestricted rate and flare

established by the Commission, or for such other relief as may be appropriate.

Case No. 21419: Application of Hess Corp. for an order amending the applicable orders for the Wheelock-Bakken Pool, Williams County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21420: Application of Hess Corp. for an order amending the applicable orders for the White Earth-Bakken Pool, Mountrail County, ND, to allow all wells to produce oil at an unrestricted rate and flare gas produced in association therewith until June 30, 2014, or such other time as may be established by the Commission, or for such other relief as may be appropriate.

Case No. 21421: Application of Burlington Resources Oil & Gas Co. LP for an order allowing the Archer #44-25TFH (File No. 25960) to be completed in and produce from a spacing unit in Zone X of the Charlson-Bakken Pool described as all of Sections 24 and 25, T.153N., R.95W., McKenzie County, ND, with a portion of the well bore not isolated by cement extending above the top of the Charlson-Bakken Pool as defined by applicable orders; and such other relief as is appropriate.

Case No. 21275: (Continued) Proper spacing for the development of the Fillmore-Bakken Pool, Divide County, ND, redefine the field limits, and enact such special field rules as may be necessary. Bakken Hunter, LLC

Case No. 21422: Application of Sojourn Energy LLC for an order vacating existing spacing units located within the South Horse Creek-Red River Pool to create and establish a 320-acre spacing unit comprised of the N/2 of Section 33, T.129N., R.104W., Bowman County, ND, and such other relief as is appropriate.

Case No. 21423: Application of Sakakawea Ventures, LLC seeking an order authorizing the construction of an oil treating and oilfield waste treating/processing facility on the site of an existing saltwater disposal facility SV Noonan #1 (File No. 90237) SWNW Section 2, T.162N., R.95W., Divide County, ND for the purpose of salvaging, treating and recycling upstream petroleum wastes, and such other relief as is appropriate.

Case No. 21424: Application of Buffalo Hills, LLC, in accordance with NDAC § 43-02-03-51, for an order authorizing the construction of an oil treating and oilfield waste treating/processing facility to be located in the SESE Section 30, T.144N., R.95W., Dunn County, ND, for the purpose

of salvaging, treating and recycling upstream petroleum wastes.

Case No. 21425: 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 16 and 21, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21426: 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 28 and 33, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21427: 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 29 and 32, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21428: 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 30 and 31, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21422: Application of SRI Energy Co. for an order amending the applicable orders for the Bear Den-Bakken Pool to allow up to six wells to be drilled upon a 640-acre spacing unit described as Sections 25, T.149N., R.96W, McKenzie County, ND, or granting such other relief as is appropriate.

Case No. 21430: 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 26 and 35, T.159N., R.94W., East Tioga-Bakken Pool, Burke County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21431: 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.159N., R.98W., Big Stone-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21432: 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 26 and 35, T.159N., R.98W., Big Stone-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21433: 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 27 and 34, T.159N., R.98W., Big Stone-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21434: 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 18 and 21, T.158N., R.98W., Rainbow-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21435: 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.98W., Oliver-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21436: 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 24, T.158N., R.97W., New Home-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21437: 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.158N., R.97W., New Home-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21438: 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 27 and 34, T.158N., R.97W., New Home-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21439: 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 28 and 33, T.158N., R.97W., New Home-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21440: 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 30 and 31, T.158N., R.97W., New Home-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21441: 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 18 and 9, T.158N., R.96W., South Meadow-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21442: 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.96W., South Meadow-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21443: 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 24, T.157N., R.95W., and Section 19, T.157N., R.94W., Tioga-Bakken Pool, Williams and Mountrail Counties, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21444: Application of Hess Corp. for an order amending the applicable orders for the South Meadow-Bakken Pool to authorize up to six horizontal wells to be drilled on a 1280-acre spacing unit described as Sections 18 and 19, T.158N., R.96W., Williams County, ND, and granting such other and further relief as may be appropriate.

Case No. 21445: Application of Hess Corp. for an order amending the applicable orders for the Little Knife-Bakken Pool (i) to authorize up to six horizontal wells to be drilled on 1280-acre spacing units described as Sections 5 and 8; and Sections 15 and 22, T.145N., R.97W.; and Sections 4 and 9; Sections 16 and 21; and Sections 26 and 35, T.146N., R.97W., Dunn County, ND; (ii) to authorize up to eight horizontal wells to be drilled on 1280-acre spacing units described as Sections 5 and 8, T.147N., R.97W., Dunn County, ND, and Section 1, T.145N., R.98W., and Section 36, T.146N., R.98W., McKenzie County, ND; (iii) to authorize up to nine horizontal wells to be drilled on a 1280-acre spacing unit, described as Sections 27 and 34, T.148N., R.97W., Dunn County, ND; and (iv) granting such other relief as may be appropriate.

Case No. 21446: Application of Marathon Oil Co. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 17 and 20, T.157N., R.103W., Strandah-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21447: Application of Kodiak Oil & Gas (USA) Inc. for an order amending the applicable orders for the Truax-Bakken Pool to authorize up to sixteen horizontal wells to be drilled on two 1280-acre spacing units described as Sections 26 and 35; and Sections 28 and 33, T.154N., R.98W., Williams County, ND; and for such other relief as may be appropriate.

Case No. 21448: Application of Burlington Resources Oil & Gas Co. LP 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.153N., R.96W., Keene-Bakken/Three Forks Pool, McKenzie County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21449: Application of Whiting Oil and Gas Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 2, 3, 10 and 11, T.152N., R.97W., Twin Valley-Bakken Pool, McKenzie County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21450: Application of Whiting Oil and Gas Corp. for an order pursuant to NDAC § 43 02-03-88.1 pooling all interests in a spacing unit described as Sections 4, 5, 8 and 9, T.152N., R.97W., Twin Valley-Bakken Pool, McKenzie County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21451: Application of Whiting Oil and 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.143N., R.104W., Beaver Creek-Bakken Pool, Golden Valley County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21452: Application of Whiting Oil and Gas Corp. for an order amending the applicable orders for the Pleasant Hill-Bakken Pool, McKenzie County, ND, to authorize the drilling of up to seven horizontal wells on a 1280-acre spacing unit

Case No. 21453: Application of OXY USA Inc. 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.141N., R.97W., St. Anthony-Bakken Pool, Dunn County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21454: Application of Oasis Petroleum-North America LLC for an order authorizing up to fifteen horizontal wells to be drilled on some or all of the 1280-acre spacing units currently existing in the Willow Creek-Bakken Pool, McKenzie and Williams Counties, ND, or granting such other relief as is appropriate.

Case No. 21455: Application of Oasis Petroleum-North America LLC for an order authorizing up to twelve horizontal wells to be drilled on some or all of the 1280-acre spacing units currently existing in the Tyrone-Bakken Pool, Williams County, ND; to alter the definition of the stratigraphic limits of the pool; or granting such other relief as is appropriate.

Case No. 21456: Application of White Owl Energy Services, Inc. for an order pursuant to NDAC § 43-02-03-88.1 authorizing salt-water disposal into the Dakota Group in the White Owl Johnsons Corner SWD 1, well, NENE Section 23, T.150N., R.96W., Blue Buttes Field, McKenzie County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 21457: Application of Buckhorn Energy Services, LLC, for an order pursuant to NDAC § 43-02-03-88.1 authorizing salt-water disposal into the Dakota Group in the GO-Bergstrom SWD #1 well, SWNE Section 17, T.158N., R.97W., New Home Field, Williams County, ND, pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Case No. 21458: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Packineau #15-32H well located in a spacing unit described as Section 32, T.149N., R.92W., Heart Butte Bakken Pool, Dunn County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21459: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Sarah Yellow Wolf #22-27HC well located in a spacing unit described as Sections 22 and 27, T.149N., R.91W., Heart Butte Bakken Pool, Dunn County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21460: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Bear Den #24-13H2 well located in a spacing unit described as Sections 13 and 24, T.150N., R.94W., Spotted Horn Bakken Pool, McKenzie County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21461: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Adam Good Bear #15-22HY well located in a spacing unit described as Sections 15 and 22, T.150N., R.92W., Van Hook Bakken Pool, Mountrail County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21462: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Adam Good Bear #15-22HD well located in a spacing unit described as Sections 15 and 22, T.150N., R.92W., Van Hook Bakken Pool, Mountrail County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21463: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Adam Good Bear #15-22HC well located in a spacing unit described as Section 31, T.163N., R.96W., Bounty School-Bakken Pool, Divide County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21053: (Continued) In the matter of the petition for a risk penalty of Bakken Hunter, LLC, requesting an order authorizing the recovery of a risk penalty from certain non-participating owners as provided by NDCC § 38-08-08 in the drilling and completing of the Tundra #3130-4H well located in a spacing unit consisting of Sections 30 and 31, T.164N., R.98W., Ambrose-Bakken Pool, Divide County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21465: Application of North Plains Energy, LLC 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.160N., R.100W., Divide County, ND, Smoky Butte-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman, ND Industrial Commission
11/27 - 20692374

Mountrail County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21463: In the matter of the petition for a risk penalty of WPX Energy Williston, LLC requesting an order authorizing the recovery of a risk penalty from certain non-participating owners, as provided by NDCC § 38-08-08 in the drilling and completing of the Adam Good Bear #15-22HC well located in a spacing unit described as Sections 15 and 22, T.150N., R.92W., Van Hook Bakken Pool, Mountrail County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21464: In the matter of the petition for a risk penalty of Bakken Hunter, LLC, requesting an order authorizing the recovery of a risk penalty from certain non-participating owners as provided by NDCC § 38-08-08 in the drilling and completion of the Isaac #6H well located in a spacing unit consisting of Section 31, T.163N., R.96W., Bounty School-Bakken Pool, Divide County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21053: (Continued) In the matter of the petition for a risk penalty of Bakken Hunter, LLC, requesting an order authorizing the recovery of a risk penalty from certain non-participating owners as provided by NDCC § 38-08-08 in the drilling and completing of the Tundra #3130-4H well located in a spacing unit consisting of Sections 30 and 31, T.164N., R.98W., Ambrose-Bakken Pool, Divide County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21465: Application of North Plains Energy, LLC 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.160N., R.100W., Divide County, ND, Smoky Butte-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Signed by,
Jack Dalrymple, Governor
Chairman, ND Industrial Commission
11/27 - 20692374

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Jack Dalrymple, Governor
Chairman, ND Industrial Commission
11/27 - 20692374



Affidavit of Publication

State of North Dakota, County of Divide, ss:

I, Cecile L. Krimm, 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

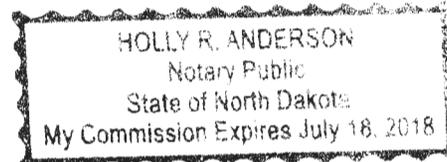
a printed copy of which is here attached, was published in The Journal on the following date:

November 27 89 lines @ 0.63 = \$57.06
TOTAL CHARGE.....\$57.06

Signed Cecile L. Krimm
Cecile L. Krimm, Publisher

Subscribed and sworn to before me December 2, 2013

Holly R. Anderson
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, December 18, 2013, at the N.D. Oil & Gas Division, 1000 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, December 05, 2013. STATE OF NORTH DAKOTA TO: Case No. 21399: Application of SM Energy Co. for amending the applicable orders for the Ambrose, West Ambrose, and Colgan-Bakken Pools, including without limitation Order No. 22099, to allow an additional horizontal well to be drilled in the middle member of the Bakken Formation in five 2560-acre spacing units described as Sections 13 and 24, T.163N., R.101W. and Sections 18 and 19, T.163N., R.100W.; Sections 1, 2, 11 and 12; Sections 16, 17, 20 and 21; Sections 17, 18, 19 and 20, T.163N., R.100W.; and Sections 17, 18, 19 and 20, T.163N., R.99W., Divide County, ND, or granting such other relief as may be appropriate.

Case No. 21400: Application of SM Energy Co. for amending the applicable orders for the Ambrose-Bakken Pool to establish an overlapping 2560-acre spacing unit consisting of Sections 15, 16, 21 and 22, T.163N., R.99W., Divide County, ND, and authorize the drilling of a horizontal well at any location thereon, or granting such other relief as may be appropriate. Case No. 21275: (Continued) Proper spacing for the development of the Fillmore-Bakken Pool, Divide County, ND,

redefine the field limits, and enact such special field rules as may be necessary. Bakken Hunter, LLC

Case No. 21423: Application of Sakakawea Ventures, LLC seeking an order authorizing the construction of an oil treating and oilfield waste treating/processing facility on the site of an existing saltwater disposal facility SV Noonan #1 (File No. 90237) SWNW Section 2, T.162N., R.95W., Divide County, ND for the purpose of salvaging, treating and recycling upstream petroleum wastes, and such other relief as is appropriate.

Case No. 21425: 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 16 and 21, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21426: 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 28 and 33, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21427: 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 29 and 32, T.163N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21428: 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 30 and 31, T.163N.,

R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Case No. 21464: In the matter of the petition for a risk penalty of Bakken Hunter, LLC, requesting an order authorizing the recovery of a risk penalty from certain non-participating owners as provided by NDCC § 38-08-08 in the drilling and completion of the Isaac #6H well located in a spacing unit consisting of Section 31, T.163N., R.96W., Bounty School-Bakken Pool, Divide County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21053: (Continued) In the matter of the petition for a risk penalty of Bakken Hunter, LLC, requesting an order authorizing the recovery of a risk penalty from certain non-participating owners as provided by NDCC § 38-08-08 in the drilling and completion of the Tundra #3130-4H well located in a spacing unit consisting of Sections 30 and 31, T.164N., R.98W., Ambrose-Bakken Pool, Divide County, ND, pursuant to NDAC § 43-02-03-88.1, and such other relief as is appropriate.

Case No. 21465: Application of North Plains Energy, LLC 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.160N., R.100W., Divide County, ND, Smoky Butte-Bakken Pool, as provided by NDCC § 38-08-08, and such other relief as is appropriate.

Signed by, Jack Dalrymple, Governor
Chairman, ND Industrial Commission

(11-27)