

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 25543
ORDER NO. 27952

IN THE MATTER OF A HEARING CALLED ON
A MOTION OF THE COMMISSION TO
CONSIDER THE APPLICATION OF RESOURCE
ENERGY CAN-AM LLC FOR AN ORDER
AMENDING THE FIELD RULES FOR THE
AMBROSE-BAKKEN POOL TO CREATE AND
ESTABLISH FIVE OVERLAPPING 1280-ACRE
SPACING UNITS COMPRISED OF SECTIONS 2
AND 11; SECTIONS 3 AND 10; SECTIONS 13
AND 24; SECTIONS 14 AND 23; AND
SECTIONS 15 AND 22, T.162N., R.99W., DIVIDE
COUNTY, ND, AUTHORIZING THE DRILLING
OF A TOTAL NOT TO EXCEED EIGHT WELLS
ON EACH OVERLAPPING 1280-ACRE
SPACING UNIT, ELIMINATING ANY TOOL
ERROR REQUIREMENTS, AND SUCH OTHER
RELIEF AS IS APPROPRIATE.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 19th day of January, 2017.
- (2) The witnesses for Resource Energy Can-Am LLC (Resource 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 23, 2017; therefore, such testimony may be considered evidence.
- (3) Resource Energy made application to the Commission for an order amending the field rules for the Ambrose-Bakken Pool to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, Township 162 North, Range 99 West, Divide County, North Dakota, (Sections 2, 11, 3, 10, 13, 24, 14, 23, 15, and 22) authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.
- (4) Order No. 27283 entered in Case No. 24892, 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.

(5) Section 2; Section 3; Section 10; Section 11; Section 13; Section 14; Section 15; Section 22; Section 23; and Section 24 are currently 640-acre spacing units in Zone I in the Ambrose-Bakken Pool.

(6) The SM Energy Company (SM Energy) #2-162-99H Myers well (File No. 18659) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 2 from a surface location 500 feet from the south line and 1000 feet from the east line to a bottom hole location in the NW/4 NW/4.

The SM Energy #3-162-99H Larson well (File No. 18982) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 3 from a surface location 265 feet from the south line and 375 feet from the east line to a bottom hole location in the NW/4 NW/4.

The SM Energy #10-162-99H Grundstad well (File No. 19754) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 10 from a surface location 427 feet from the north line and 377 feet from the west line to a bottom hole location in the SE/4 SE/4.

The SM Energy #11-162-99H Larson well (File No. 16794) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 11 from a surface location 715 feet from the north line and 160 feet from the west line to a bottom hole location in the SE/4 SE/4.

The SM Energy #13-162-99H Hansen well (File No. 18728) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 13 from a surface location 400 feet from the south line and 600 feet from the east line to a bottom hole location in the NW/4 NW/4.

The SM Energy #14-162-99H Sorenson well (File No. 18854) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 14 from a surface location 550 feet from the north line and 390 feet from the west line to a bottom hole location in the SE/4 SE/4.

The SM Energy #15-162-99H Haugenoe well (File No. 18978) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 15 from a surface location 200 feet from the north line and 340 feet from the west line to a bottom hole location in the SE/4 SE/4.

The SM Energy #22-162-99H Haugenoe well (File No. 20285) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 22 from a surface

location 351 feet from the south line and 1550 feet from the west line of Section 15 to a bottom hole location in the SE/4 SW/4 of Section 22, drilled in the approximate 1400 from west boundary slot.

The SM Energy #1QD Lystad 23-162-99 well (File No. 20474) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 23 from a surface location 400 feet from the south line and 400 feet from the east line to a bottom hole location in the NW/4 NW/4.

The SM Energy #24-162-99H Sinclair well (File No. 18900) is a horizontal well completed in the upper Three Forks Formation in the 640-acre spacing unit described as Section 24 from a surface location 250 feet from the north line and 350 feet from the west line to a bottom hole location in the SE/4 SE/4.

These wells should remain on their existing 640-acre spacing units.

(7) Resource Energy's idealized development plan for each standup 1280-acre spacing unit described as Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22 is to drill seven horizontal wells 660 feet apart parallel to the long axis, three in the middle member of the Bakken Formation alternating with four in the upper Three Forks Formation. Resource Energy plans to drill the wells from three common drilling pads in each spacing unit. Utilization of horizontal drilling technology as proposed would result in the wells being completed at a location or locations not in compliance with current applicable spacing orders for the Ambrose-Bakken Pool. The horizontal well 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.

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

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

(10) Allowing the Myers #2-162-99H, Larson #3-162-99H, Grundstad #10-162-99H, Larson #11-162-99H, Hansen #13-162-99H, Sorenson #14-162-99H, Haugenoe #15-162-99H, Haugenoe #22-162-99H, Lystad 23-162-99 #1QD, and Sinclair #24-162-99H wells to continue to produce from their existing spacing units will provide maximum ultimate recovery from the Ambrose-Bakken Pool in a manner that will protect correlative rights.

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

(12) There were no objections to this application.

(13) If Resource 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 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, Township 162 North, Range 99 West, Divide County, North Dakota, are hereby established as standup 1280-acre spacing units for the exclusive purpose of drilling up to seven horizontal wells within each said spacing unit within the Ambrose-Bakken Pool and Zone VI is hereby redefined to include said spacing units. Existing and future vertical and directional wells drilled within the spacing units herein established shall not be subject to this order.

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

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

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

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

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

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

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

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

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

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

ZONE I (640H)

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

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

TOWNSHIP 162 NORTH, RANGE 99 WEST, 5TH PM
ALL OF SECTIONS 2, 3, 4, 5, 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 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 (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, 2, 3, 6, 7, 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,

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

ZONE VII (7/1280H-LAYDOWN)

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

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

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

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

ZONE IX (2560H-NORTH/SOUTH ORIENTATION-LEASE-LINE)

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 163 NORTH, RANGE 98 WEST, 5TH PM
ALL OF SECTIONS 17*, 18, 19 AND 20*,

*Sections 17 and 20 are within the Blooming Prairie 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-NORTH/SOUTH ORIENTATION-LEASE-LINE)

TOWNSHIP 164 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 25, 26, 29, 30*, 31*, 32, 35 AND 36,

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

TOWNSHIP 163 NORTH, RANGE 99 WEST, 5TH PM

ALL OF SECTIONS 1, 2, 5, 6*, 7*, 8, 11 AND 12.

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

ZONE XII (2/5120H-STANDUP-NORTH/SOUTH ORIENTATION-LEASE-LINE)

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.

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

(7) All portions of the well bore not isolated by cement of any horizontal well in the Ambrose-Bakken Pool shall adhere to the following requirements unless specifically provided for in the respective zone below:

- (a) Measurement inaccuracies in the directional survey equipment need not be considered except when deemed necessary by the Director.
- (b) The lateral, heel portion of the lateral, or toe portion of the lateral in horizontal well bores shall be no closer than 500 feet to the most nearly parallel spacing unit boundary.
- (c) The Director is hereby authorized to reduce the setback from 500 feet to 200 feet for horizontal well bores where the angle of the heel portion of the lateral and the respective spacing unit boundary is less than 45° through the issuance of permit stipulations, whenever, in his opinion, the applicant has demonstrated that correlative rights will be protected.
- (d) The heel portion of the lateral in horizontal well bores where the angle of such is greater than 45° from the respective most nearly perpendicular spacing unit boundary, shall be no closer than 150 feet to said boundary.
- (e) The lateral or toe portion of the lateral in horizontal well bores where the angle of such is greater than 45° from the respective most nearly perpendicular spacing unit boundary, shall adhere to the following:

- (i) For horizontal wells completed open hole, the total depth of the well bore shall be no closer than 150 feet to the boundary of the spacing unit;
 - (ii) For horizontal wells completed with the production liner or casing cemented in the lateral, the total depth of the well bore shall be no closer than 50 feet to the boundary of the spacing unit, unless the horizontal well is stimulated through the shoe at the toe of the lateral whereby the total depth of the well bore shall be no closer than 150 feet to the boundary of the spacing unit; and
 - (iii) For horizontal wells completed with the production liner or casing externally isolated in the lateral by the use of packers, the total depth of the well bore shall be no closer than 100 feet to the boundary of the spacing unit unless the horizontal well is stimulated through the shoe at the toe of the lateral whereby the total depth of the well bore shall be no closer than 150 feet to the boundary of the spacing unit.
- (8) The Application for Permit to Drill (Form 1) for a horizontal well to be completed in the Ambrose-Bakken Pool shall include a well schematic which depicts the:
- (a) Proposed production casing setting depth at the heel relative to the spacing unit boundary;
 - (b) Proposed completion style as open hole lateral, cemented liner or casing in the lateral, liner or casing externally isolated in the lateral by the use of packers, or other completion style; and
 - (c) Proposed toe of the lateral including the location of the deepest perforation, completion sleeve, and/or external isolation packer.
- (9) The Completion Report (Form 6) for a horizontal well completed in the Ambrose-Bakken Pool shall include a well schematic which depicts the:
- (a) Production casing setting depth at the heel relative to the spacing unit boundary;
 - (b) Completion style as open hole lateral, cemented liner or casing in the lateral, liner or casing externally isolated in the lateral by the use of packers, or other completion style; and
 - (c) Toe of the lateral including the location of the deepest perforation, completion sleeve, and/or external isolation packer.
- (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) Spacing units hereafter created in Zone I in the Ambrose-Bakken Pool shall consist of a governmental section.

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

(13) 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.

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

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

(16) 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.

(17) 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.

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

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

(20) 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.

(21) 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.

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

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

(24) 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.

(25) 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.

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

(27) Zone V 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 VI in the Ambrose-Bakken Pool is hereby set at up to seven horizontal wells per standup 1280-acre spacing unit.

(29) 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 2 and 11; Sections 3 and 10; Sections 6 and 7; Sections 13 and 24; Sections 14 and 23; Sections 15 and 22; 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 VI in the Ambrose-Bakken Pool.

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

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

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

(33) 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 VII in the Ambrose-Bakken Pool.

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

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

(36) 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.

(37) 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 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.

(38) The 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, prior to completing any horizontal well in the standup 2080-acre spacing unit described as Sections 26 and 35, Township 164 North, Range 99 West and Sections 2 and 11, Township 163 North, Range 99 West, Divide County, North Dakota.

The 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, prior to completing any horizontal well in the standup 2080-acre spacing unit described as Sections 28 and 33, Township 164 North, Range 99 West and Sections 4 and 9, Township 163 North, Range 99 West, Divide County, North Dakota.

(39) A minimum of four horizontal wells shall be drilled and completed consecutively within each standup 2080-acre spacing unit described as Sections 26 and 35, Township 164 North, Range 99 West and Sections 2 and 11, Township 163 North, Range 99 West; and Sections 28 and 33, Township 164 North, Range 99 West and Sections 4 and 9, Township 163 North, Range 99 West, Divide County, North Dakota.

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

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

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

(43) 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 (45) below. The Ambrose-Bakken Pool in the spacing units described in paragraph (46) below is as described in paragraph (6) above.

(44) 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 comply with paragraph (7) above.

(45) 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.

(46) 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 17**, 18, 19, and 20**, Township 163 North, Range 98 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 17 and 20 are within the Blooming Prairie Field.

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

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

(48) Zone IX 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 X in the Ambrose-Bakken Pool is hereby set at up to thirteen horizontal wells per standup 2560-acre spacing unit.

(50) 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.

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

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

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

(54) 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 comply with paragraph (7) above.

(55) 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.

(56) 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.

(57) 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.

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

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

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

(61) 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 comply with paragraph (7) above.

(62) 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.

(63) 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.

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

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

(66) 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.

(67) 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.

(68) 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.

(69) 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.

(70) 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.

(71) 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 therefor 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.

(72) 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.

(73) The first horizontal well completed in each Ambrose-Bakken Pool non-overlapping spacing unit shall be allowed to produce at a maximum efficient rate.

(74) All wells completed in the Ambrose-Bakken Pool that have received an exemption to North Dakota Century Code Section 38-08-06.4 shall be allowed to produce at a maximum efficient rate.

(75) All infill horizontal wells, including overlapping spacing units, completed in the Ambrose-Bakken Pool, shall be allowed to produce at a maximum efficient rate for a period of 90 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, such wells shall be allowed to continue to produce at a maximum efficient rate if the well or operator meets or exceeds the Commission approved gas capture goals. The gas capture percentage shall be calculated by summing monthly gas sold plus monthly gas used on lease plus monthly gas processed in a Commission approved beneficial manner, divided by the total monthly volume of associated gas produced by the operator. The operator is allowed to remove the initial 14 days of flowback gas in the total monthly volume calculation. The Commission will accept compliance with the gas capture goals by well, field, county, or statewide by operator. If such gas capture percentage is not attained at maximum efficient rate, the well(s) shall be restricted to 200 barrels of oil per day if at least 60% of the monthly volume of associated gas produced from the well is captured, otherwise oil production from such wells shall not exceed 100 barrels of oil per day.

The Commission will recognize the following as surplus gas being utilized in a beneficial manner:

- (a) Equipped with an electrical generator that consumes surplus gas from the well;
- (b) Equipped with a system that intakes the surplus gas and natural gas liquids volume from the well for beneficial consumption by means of compression to liquid for use as fuel, transport to a processing facility, production of petrochemicals or fertilizer, conversion to liquid fuels, separating and collecting the propane and heavier hydrocarbons; and
- (c) Equipped with other value-added processes as approved by the Director which reduce the volume or intensity of the flare by more than 60%.

(76) If the flaring of gas produced with crude oil from the Ambrose-Bakken Pool is determined by the North Dakota Department of Health as causing a violation of the North Dakota Air Pollution Control Rules (NDAC Article 33-15), production from the pool may be further restricted.

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

Dated this 10th day of August, 2017.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

SFN 5729


STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

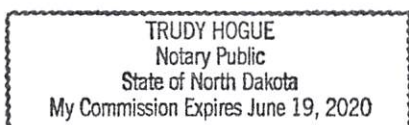
I, Jeanette Bean, being duly sworn upon oath, depose and say: That on the 15th day of August, 2017 enclosed in separate envelopes true and correct copies of the attached Order No. 27952 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 25543:


LAWRENCE BENDER
FREDRIKSON & BYRON
PO BOX 1855
BISMARCK ND 58502



Jeanette Bean
Oil & Gas Division

On this 15th day of August, 2017 before me personally appeared Jeanette Bean to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.





Notary Public
State of North Dakota, County of Burleigh

Kadrmass, Bethany R.

From: Rage, Samantha <SRage@fredlaw.com>
Sent: Monday, January 23, 2017 11:50 AM
To: Kadrmass, Bethany R.
Cc: Entzi-Odden, Lyn; Lauren Ross; Jennifer Corso
Subject: Resource Energy - Case No. 25543 - Tel Affs
Attachments: Resource Energy 25543-c.pdf

CAUTION: This email originated from an outside source. Do not click links or open attachments unless you know they are safe.

Bethany,

Please see the attached letter/attachments.

Thank you.

Sammy Rage
Legal Administrative Assistant

Fredrikson

& BYRON, P.A.

1133 College Drive
Suite 1000
Bismarck, ND 58501
Main Phone: 701.221.8700
Fax: 701.221.8750

srage@fredlaw.com

****This is a transmission from the law firm of Fredrikson & Byron, P.A. and may contain information which is privileged, confidential, and protected by the attorney-client or attorney work product privileges. If you are not the addressee, note that any disclosure, copying, distribution, or use of the contents of this message is prohibited. If you have received this transmission in error, please destroy it and notify us immediately at our telephone number (701) 221-8700. The name and biographical data provided above are for informational purposes only and are not intended to be a signature or other indication of an intent by the sender to authenticate the contents of this electronic message.****

January 23, 2017

VIA EMAIL

Mr. Bruce Hicks
Assistant Director
NDIC, Oil and Gas Division
600 East Boulevard
Bismarck, ND 58505-0310

**RE: CASE NO. 25543
RESOURCE ENERGY CAN-AM LLC**

Dear Mr. Hicks:

Please find enclosed herewith for filing the original TELEPHONIC COMMUNICATION AFFIDAVITS for the captioned matter.

Thank you for your attention to this matter.

Sincerely,



LAWRENCE BENDER

LB/sr
Enclosures

cc: Ms. Lauren Ross (via email w/enc.)
Ms. Jennifer Corso (via email w/enc.)

60598060_1.DOC

Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
fredlaw.com

Fredrikson & Byron, P.A.
1133 College Drive, Suite 1000
Bismarck, North Dakota
58501-1215

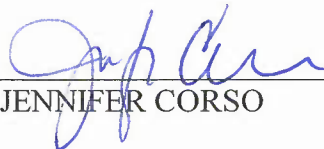
BEFORE THE NORTH DAKOTA INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

Case No. 25543

Application of Resource Energy Can-Am LLC for an order amending the field rules for the Ambrose-Bakken Pool to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, T.162N., R.99W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

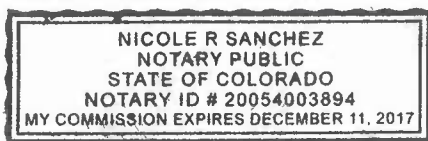
TELEPHONIC COMMUNICATION AFFIDAVIT


Jennifer Corso being first duly sworn deposes and states as follows: That on January 19, 2017, I testified under oath before the North Dakota Industrial Commission in Case No. 25543. My testimony was presented by telephone from (720)763-3687, at the offices of and on behalf of Resource Energy Can-Am LLC, 1805 Shea Center Drive, Suite 100, Highlands Ranch, Colorado 80129.


JENNIFER CORSO

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

On January 19, 2017, Jennifer Corso of Resource Energy Can-Am LLC, known to me to be the person described in and who executed the foregoing instrument, personally appeared before me and acknowledged that she executed the same as a free act and deed.




Notary Public
60574503_1.DOC

BEFORE THE NORTH DAKOTA INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. 25543

Application of Resource Energy Can-Am LLC for an order amending the field rules for the Ambrose-Bakken Pool to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, T.162N., R.99W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

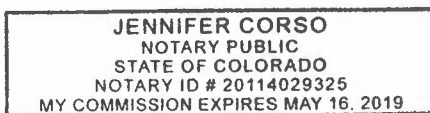
TELEPHONIC COMMUNICATION AFFIDAVIT

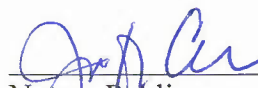
Bill Kent being first duly sworn deposes and states as follows: That on January 19, 2017, I testified under oath before the North Dakota Industrial Commission in Case No. 25543. My testimony was presented by telephone from (720)763-3687, at the offices of and on behalf of Resource Energy Can-Am LLC, 1805 Shea Center Drive, Suite 100, Highlands Ranch, Colorado 80129.


BILL KENT

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

On January 19, 2017, Bill Kent of Resource Energy Can-Am LLC, 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.




Notary Public
605747841.DOC

BEFORE THE NORTH DAKOTA INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. 25543

Application of Resource Energy Can-Am LLC for an order amending the field rules for the Ambrose-Bakken Pool to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, T.162N., R.99W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

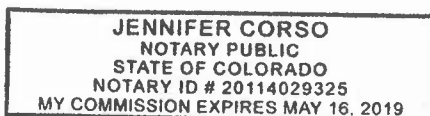
TELEPHONIC COMMUNICATION AFFIDAVIT

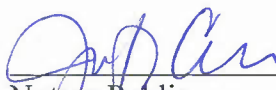
Troy Graham being first duly sworn deposes and states as follows: That on January 19, 2017, I testified under oath before the North Dakota Industrial Commission in Case No. 25543. My testimony was presented by telephone from (720)763-3687, at the offices of and on behalf of Resource Energy Can-Am LLC, 1805 Shea Center Drive, Suite 100, Highlands Ranch, Colorado 80129.

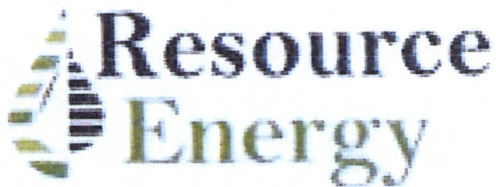

TROY GRAHAM

STATE OF COLORADO)
) ss.
COUNTY OF DOUGLAS)

On January 19, 2017, Troy Graham of Resource Energy Can-Am LLC, 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.




Notary Public
60504757-1.DOC



NORTH DAKOTA INDUSTRIAL COMMISSION

Case No. 25543

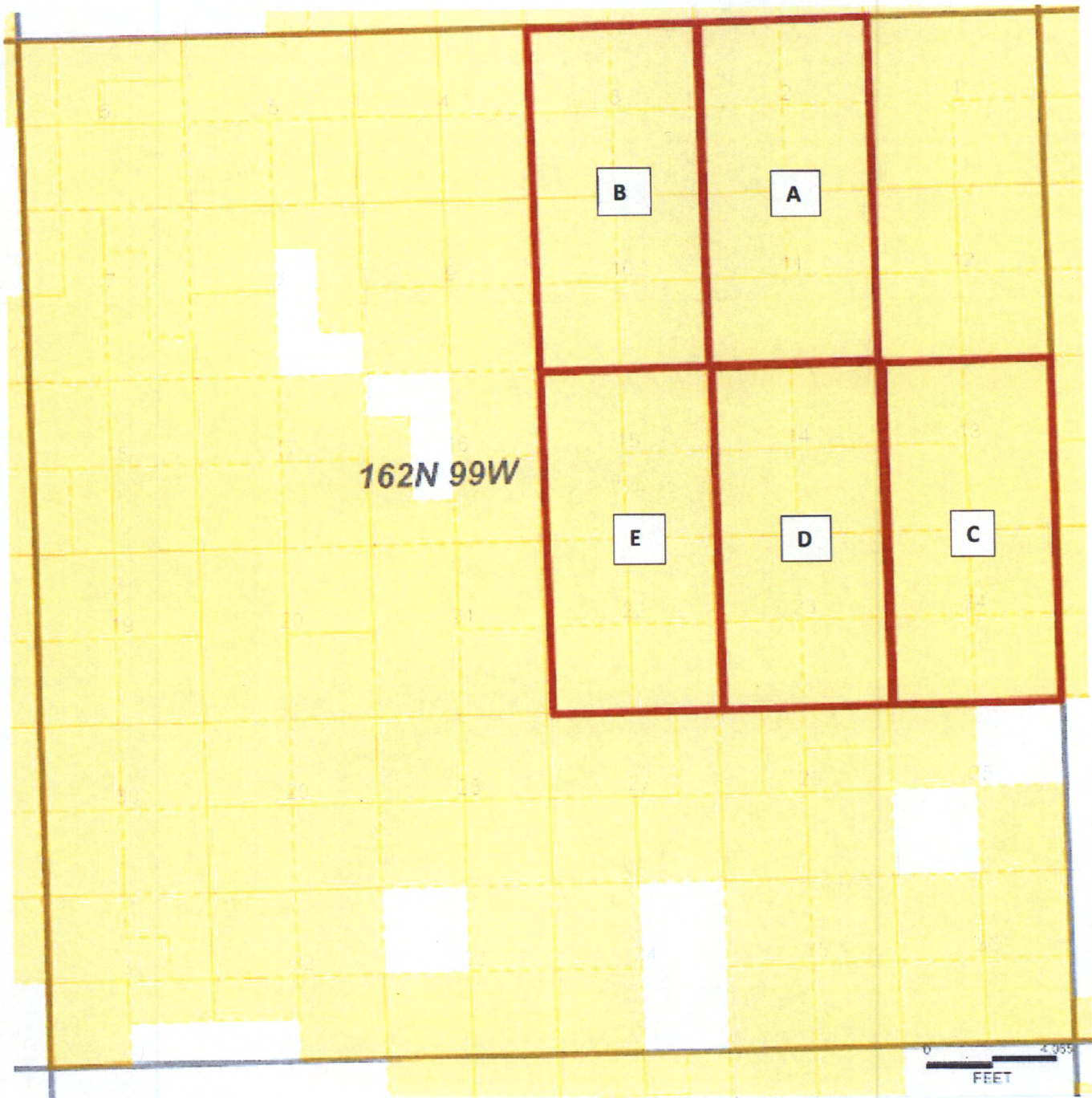
Application of Resource Energy Can-AM LLC for an order amending the field rules for the Ambrose-Bakken Pool so as to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11, Sections 3 and 10, Sections 13 and 24, Sections 14 and 23 and sections 15 and 22, Township 162 North, Range 99 West, Divide County, North Dakota, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and/or such other and further relief as appropriate.

BEFORE THE
OIL & GAS DIVISION
of the
INDUSTRIAL COMMISSION
of the
STATE OF NORTH DAKOTA

JANUARY 19, 2017

EXHIBIT 1

Spacing Unit Map of Requested 5 1280 Acres DSU's



January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 1
Identified By Corso

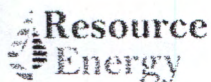


EXHIBIT 2

Spacing Unit Ownership

Ownership Summary- A

T162N-R99W
Sections 2 & 11
1280 Acres

<u>WI Owner</u>	<u>GWI</u>
Resource Energy	51.56%
SM Energy	36.39%
Bakken Hunter, LLC	9.70%
Other	2.35%
<hr/>	
Total	100.00%

Ownership Summary- B

T162N-R99W
Sections 3 & 10
1280 Acres

<u>WI Owner</u>	<u>GWI</u>
Resource Energy	51.95%
SM Energy	37.94%
Bakken Hunter, LLC	10.11%
<hr/>	
Total	100.00%

Ownership Summary- C

T162N-R99W
Sections 13 & 24
1280 Acres

<u>WI Owner</u>	<u>GWI</u>
Resource Energy	52.50%
SM Energy	37.50%
Bakken Hunter, LLC	10.00%
<hr/>	
Total	100.00%

Ownership Summary- D

T162N-R99W
Sections 14 & 23
1280 Acres

<u>WI Owner</u>	<u>GWI</u>
Resource Energy	52.50%
SM Energy	37.50%
Bakken Hunter, LLC	10.00%
<hr/>	
Total	100.00%

Ownership Summary- E

T162N-R99W
Sections 15 & 22
1280 Acres

<u>WI Owner</u>	<u>GWI</u>
Resource Energy	52.50%
SM Energy	37.50%
Bakken Hunter, LLC	10.00%
<hr/>	
Total	100.00%

January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 2
Identified By Corso

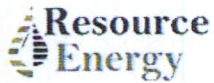
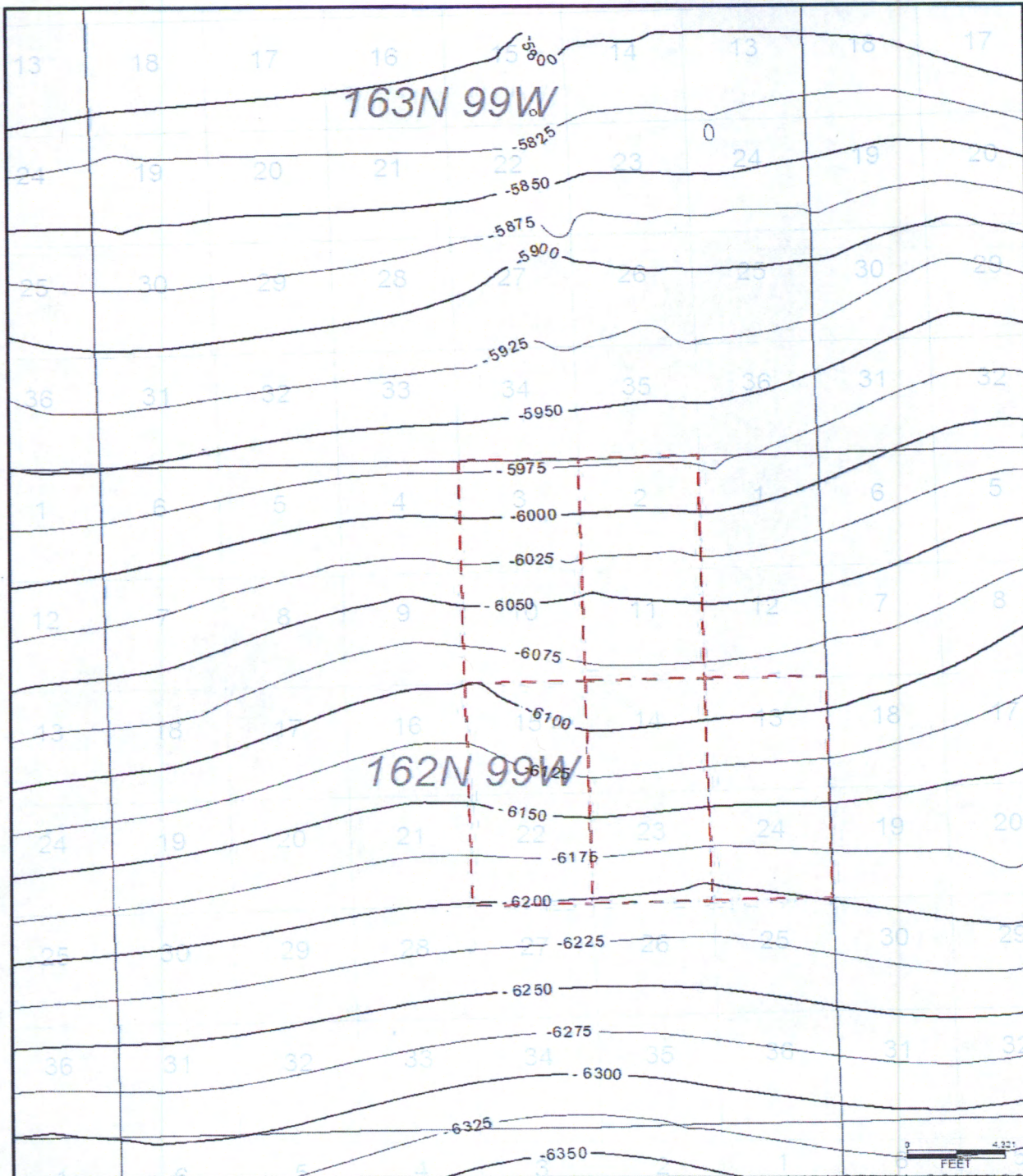


EXHIBIT 3

Structure Map (Top Middle Bakken)

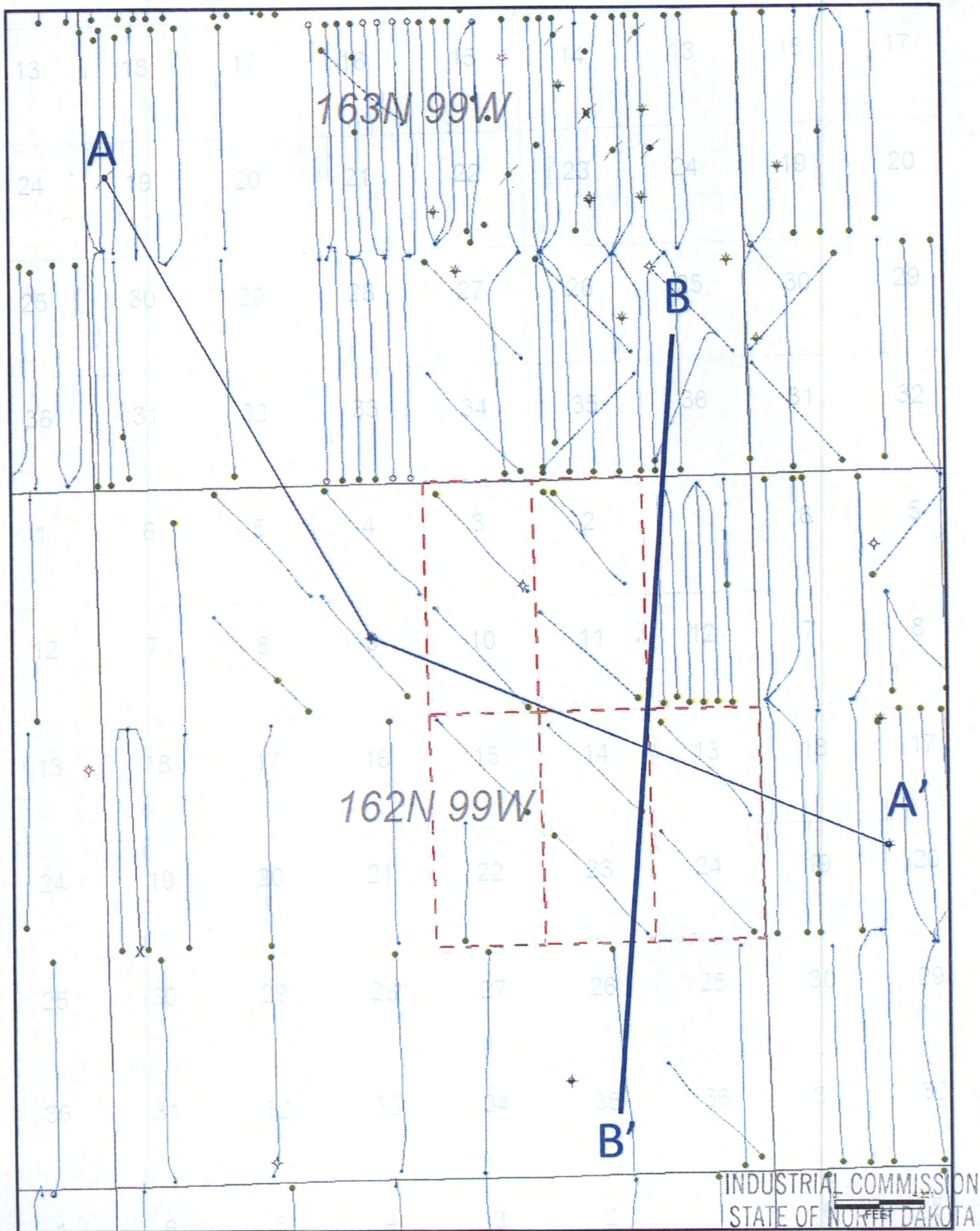


January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 3
Identified By Graham

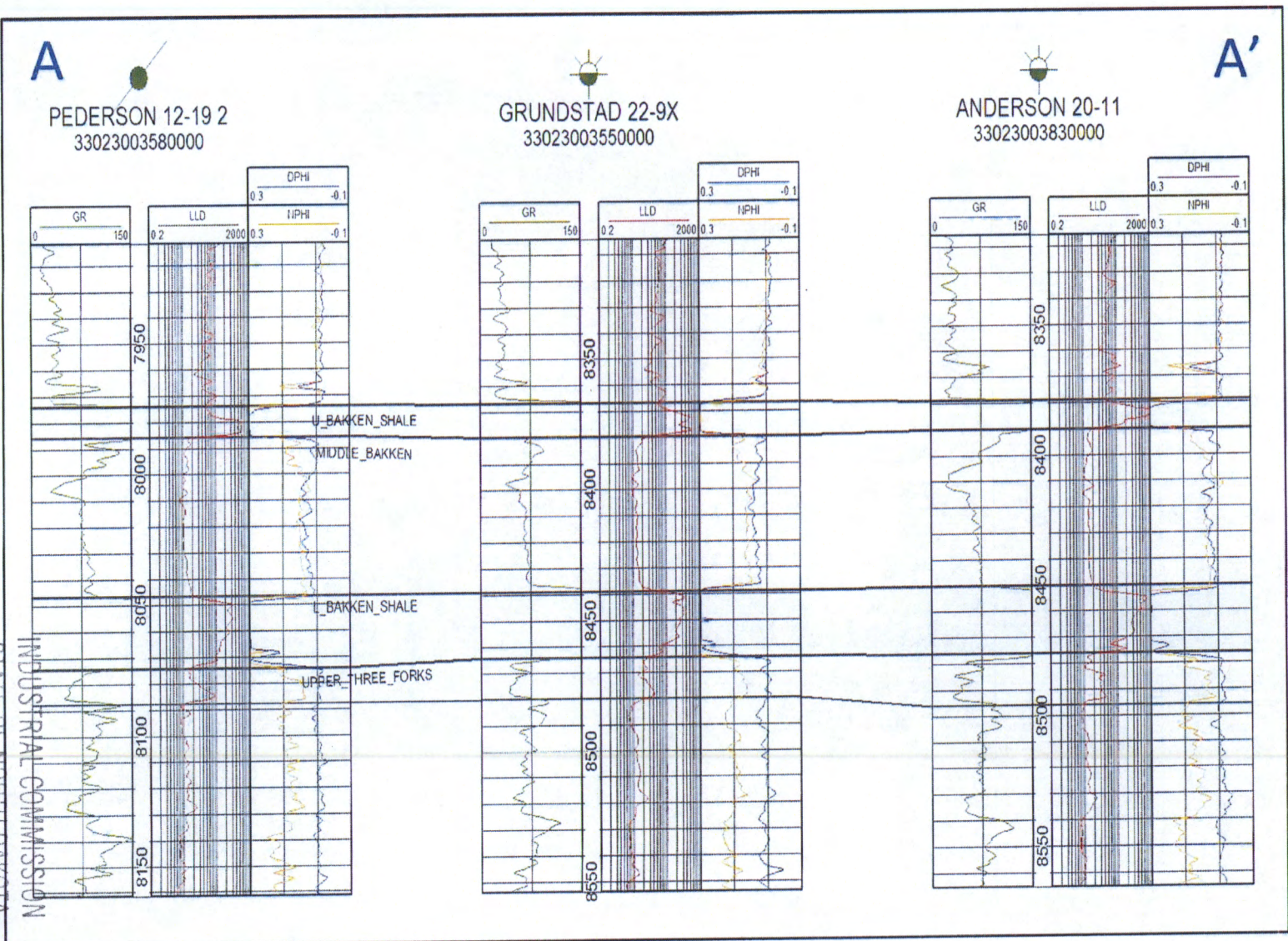


January 19, 2017

NDIC Case No. 25543

DATE 1-19-17 CASE NO. 25543
 Introduced By Resource Energy Can-Am
 Exhibit 4
 Identified By Graham

EXHIBIT 5
Cross Section A-A'



January 19, 2017

NDIC Case No. 25543

DATE 1-19-17 CASE NO. 25543

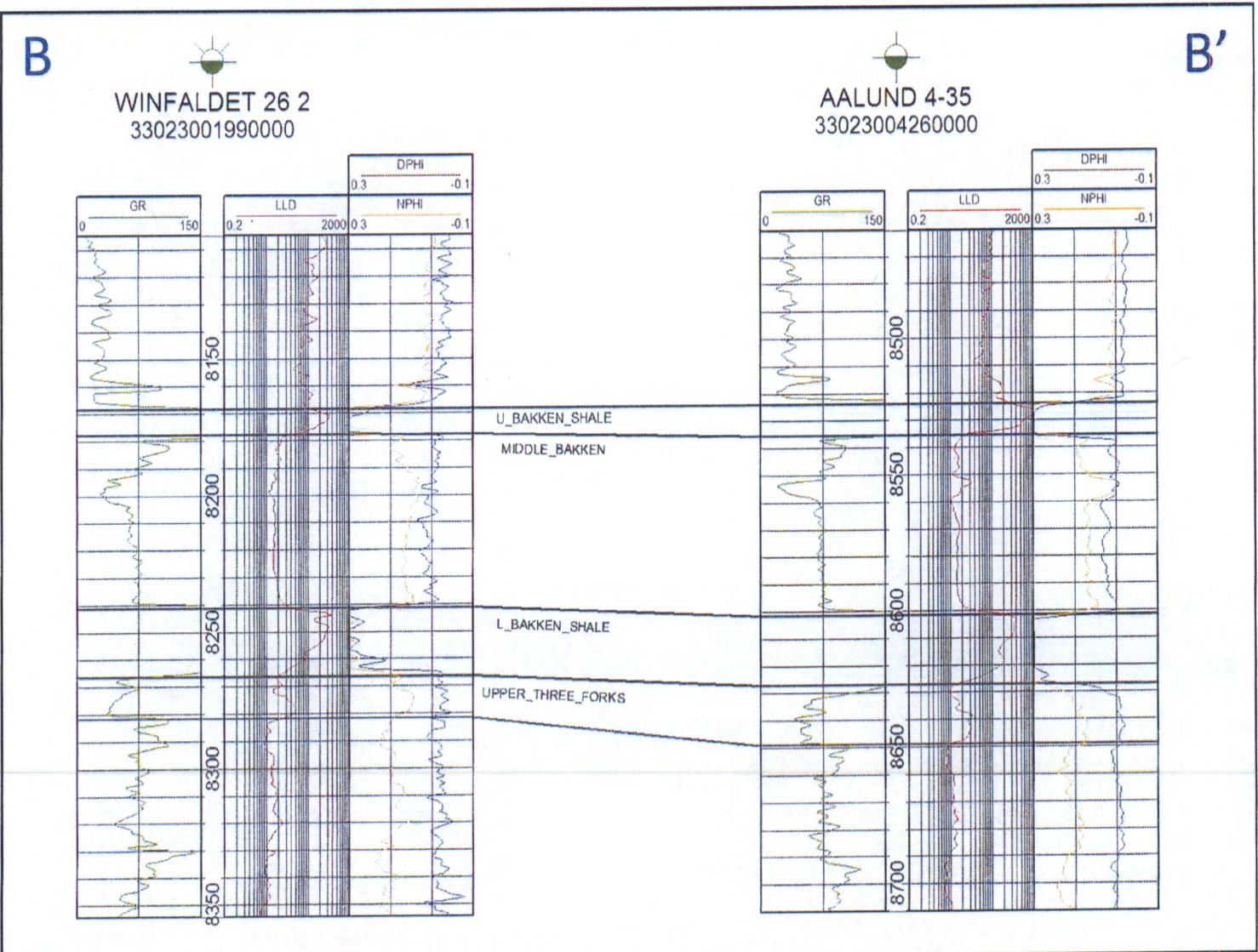
Introduced By Resource Energy Can-Am

Exhibit 5

Identified By Graham

EXHIBIT 6

Cross Section B-B'



January 19, 2017

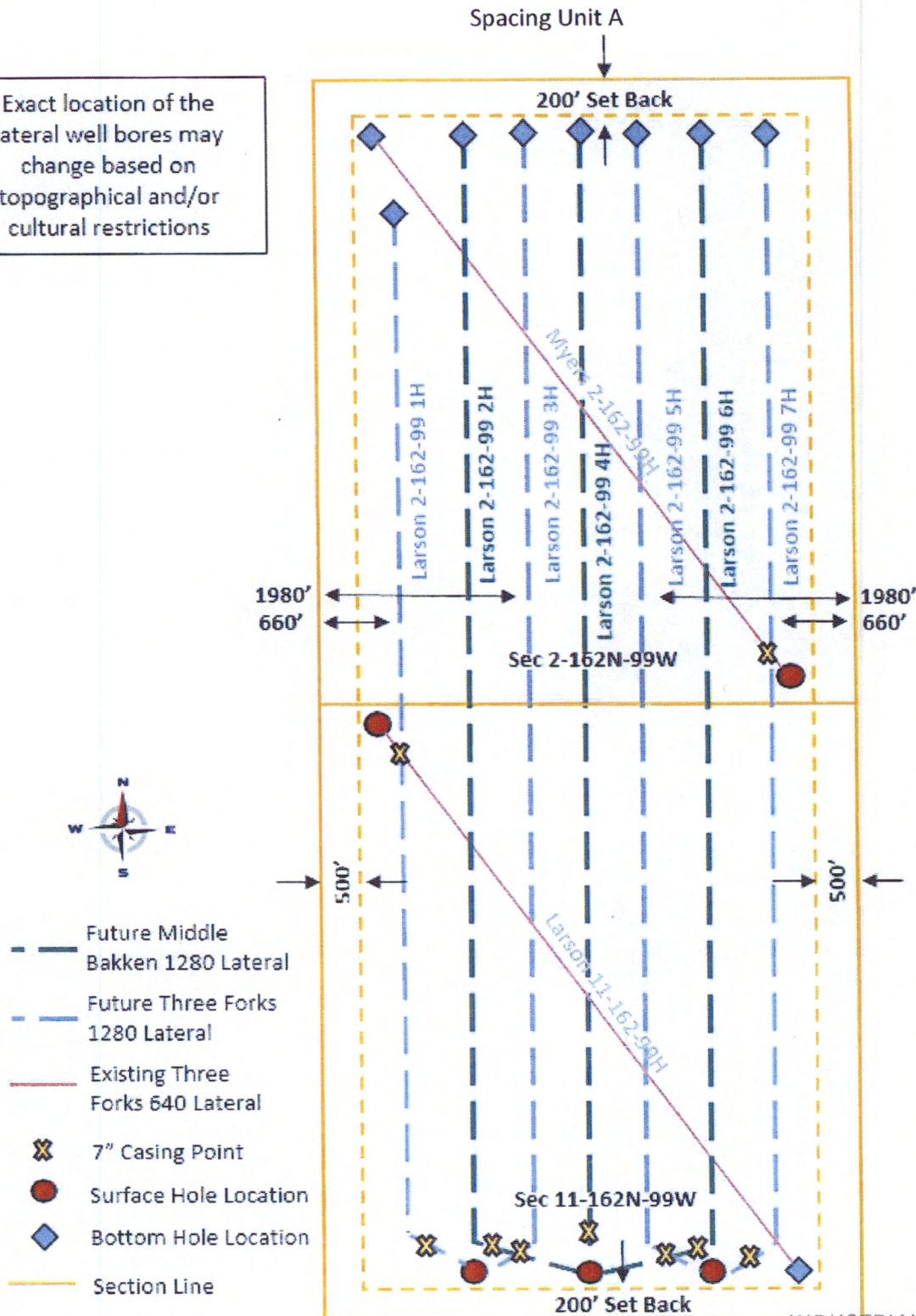
NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy can Am
Exhibit 6
Identified By Graham

EXHIBIT 7A

Proposed Well Plan

Exact location of the lateral well bores may change based on topographical and/or cultural restrictions



- Future Middle Bakken 1280 Lateral
- Future Three Forks 1280 Lateral
- Existing Three Forks 640 Lateral
- X 7" Casing Point
- Surface Hole Location
- ◆ Bottom Hole Location
- Section Line

January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

DATE 1-19-17 CASE NO. 25543

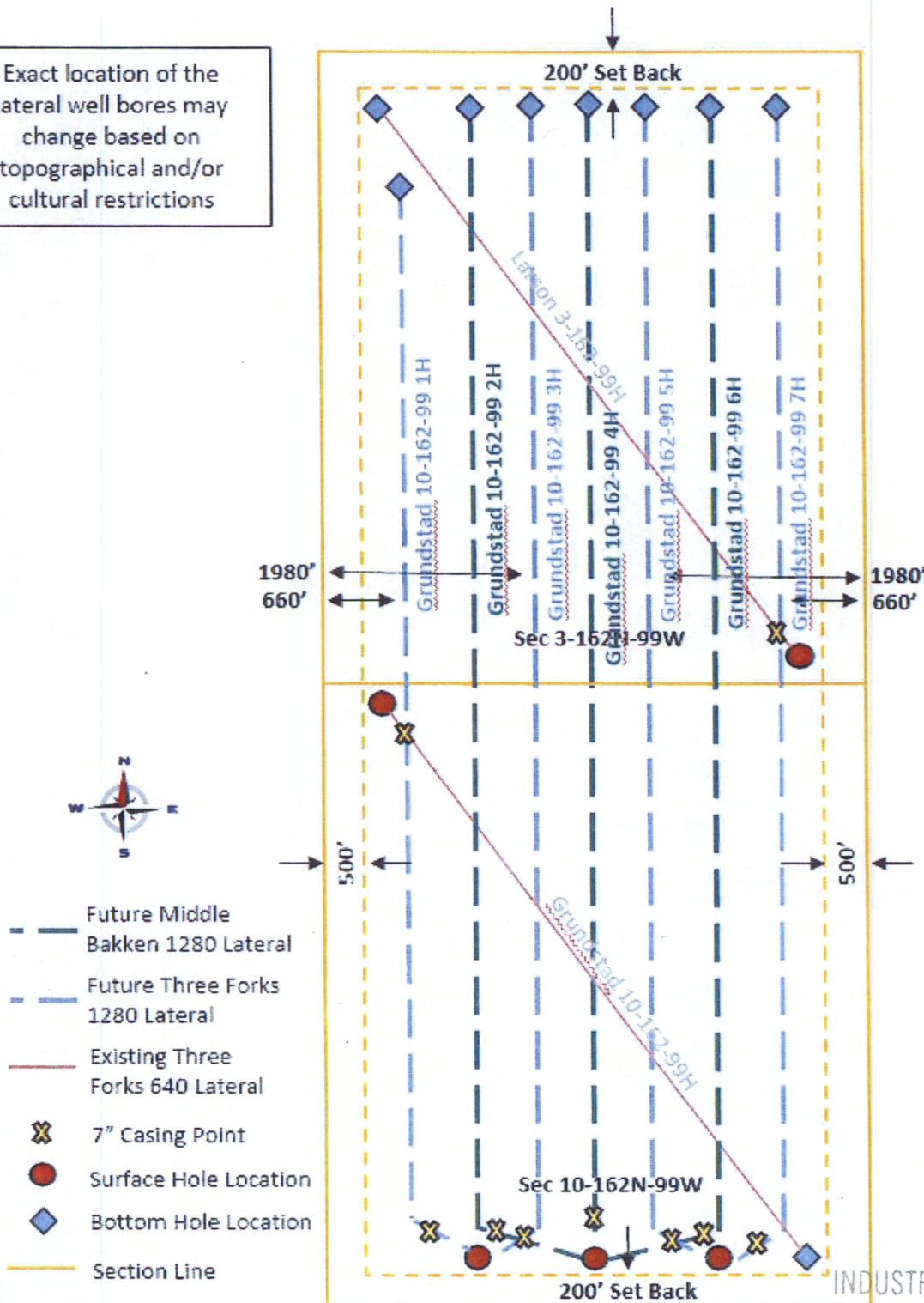
Introduced By Resource Energy Can-Am

Exhibit 7A

Identified By Kent

Spacing Unit B

Exact location of the lateral well bores may change based on topographical and/or cultural restrictions



INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

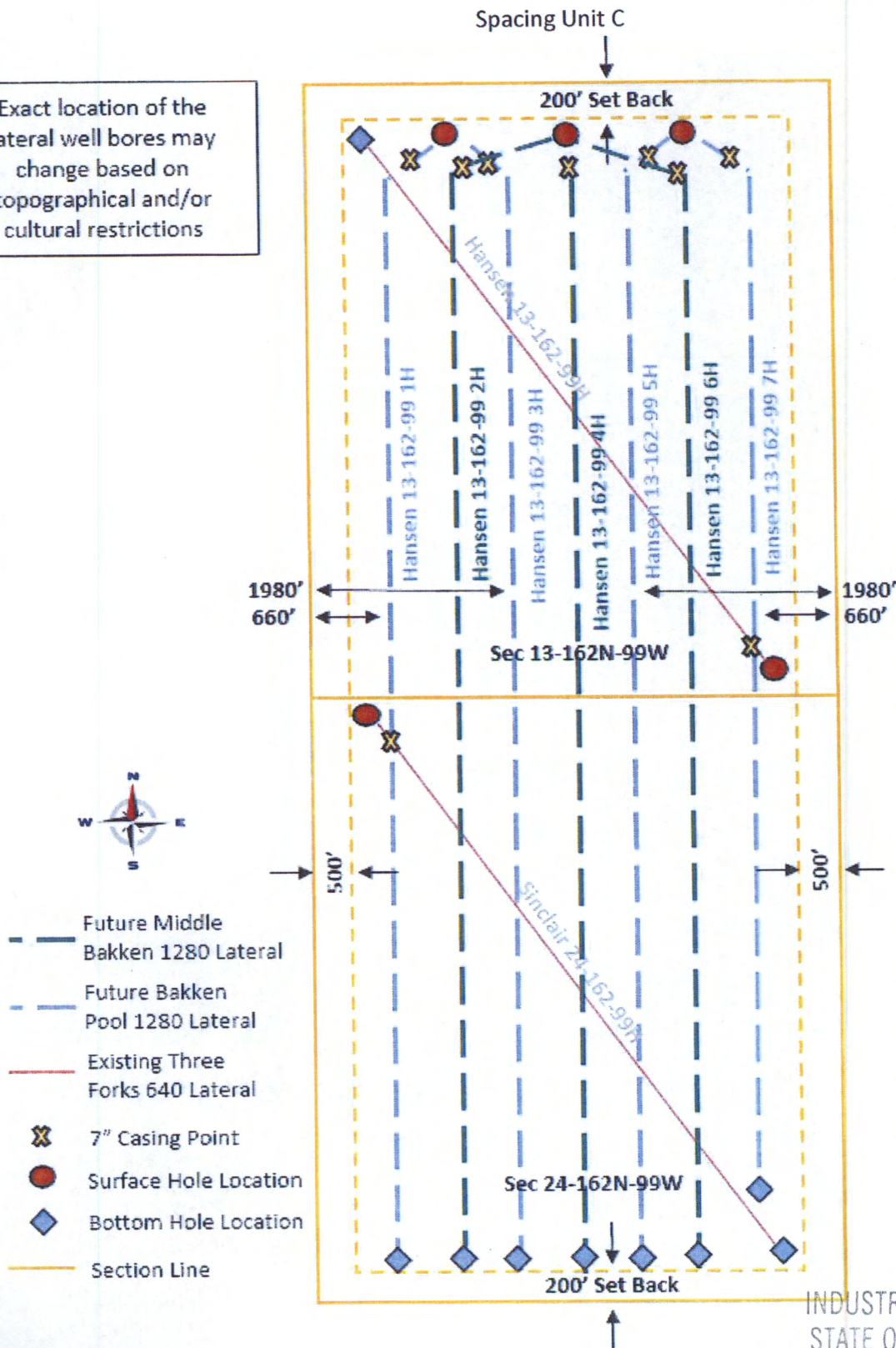
DATE 1-19-17 CASE NO. 25543

Introduced By Resource Energy CanAm

Exhibit 7B

Identified By Kent

Exact location of the lateral well bores may change based on topographical and/or cultural restrictions

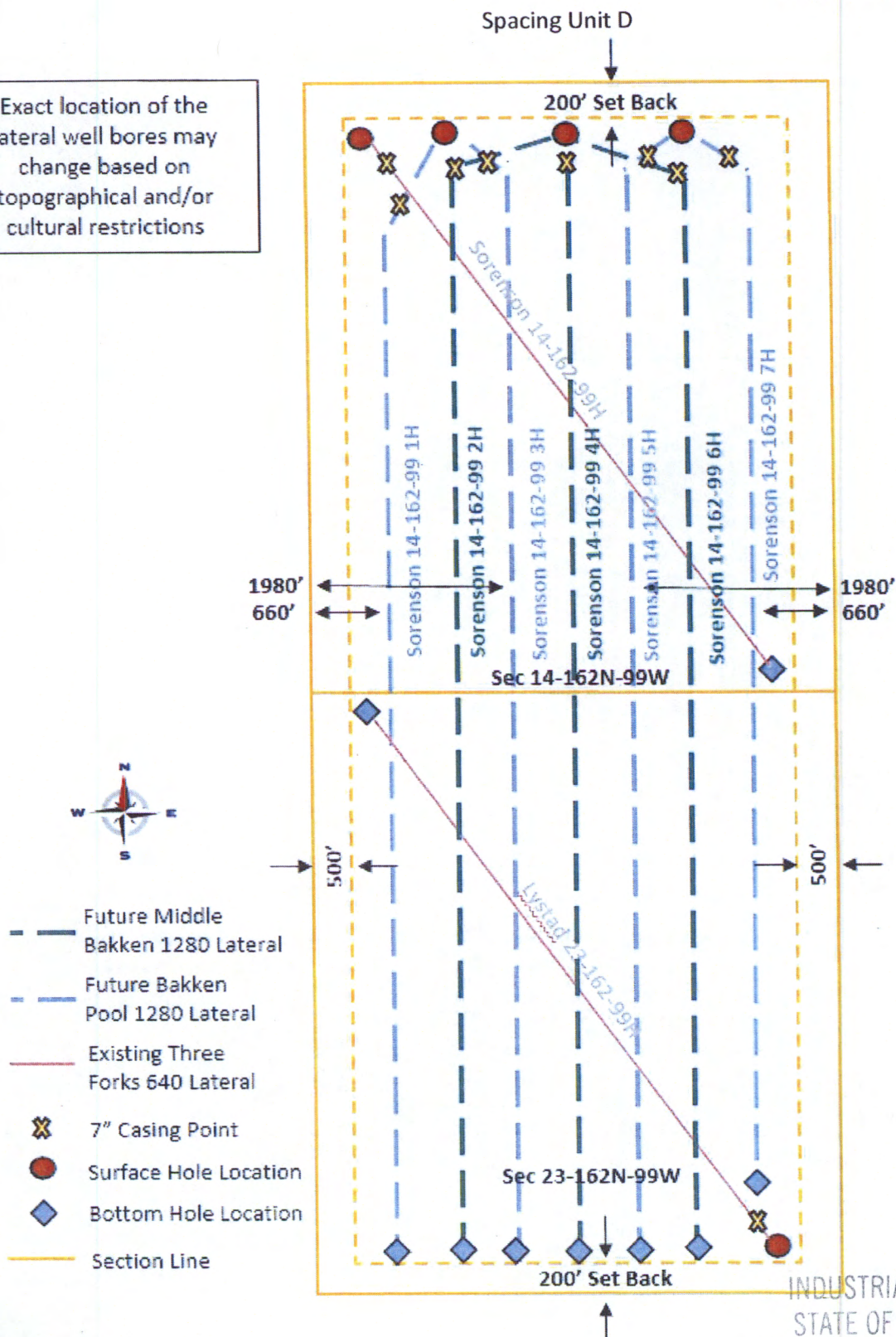


January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can Am
Exhibit 7C
Identified By Kent

Exact location of the lateral well bores may change based on topographical and/or cultural restrictions



January 19, 2017

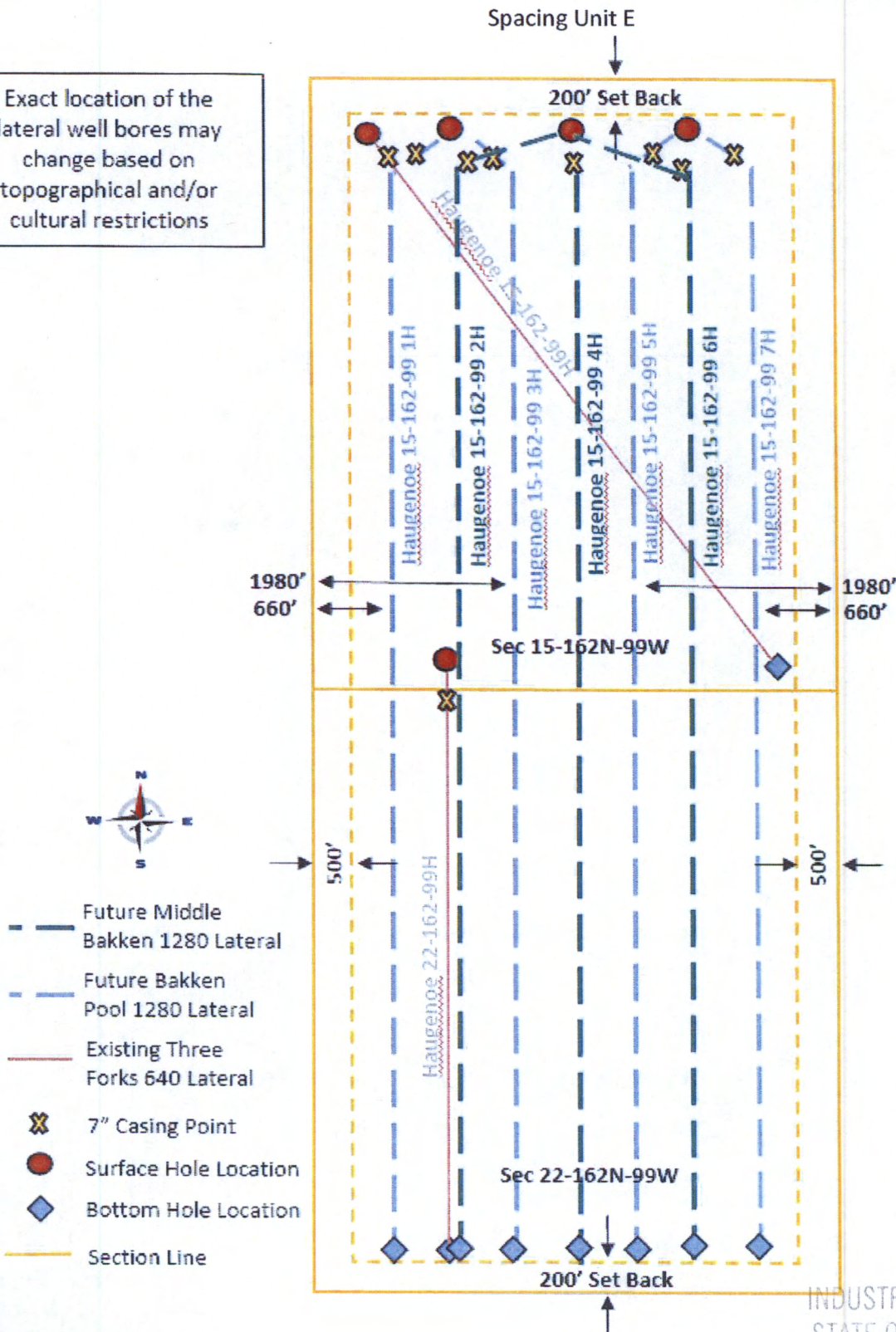
NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 7D
Identified By Kent

EXHIBIT 7E

Proposed Well Plan

Exact location of the lateral well bores may change based on topographical and/or cultural restrictions



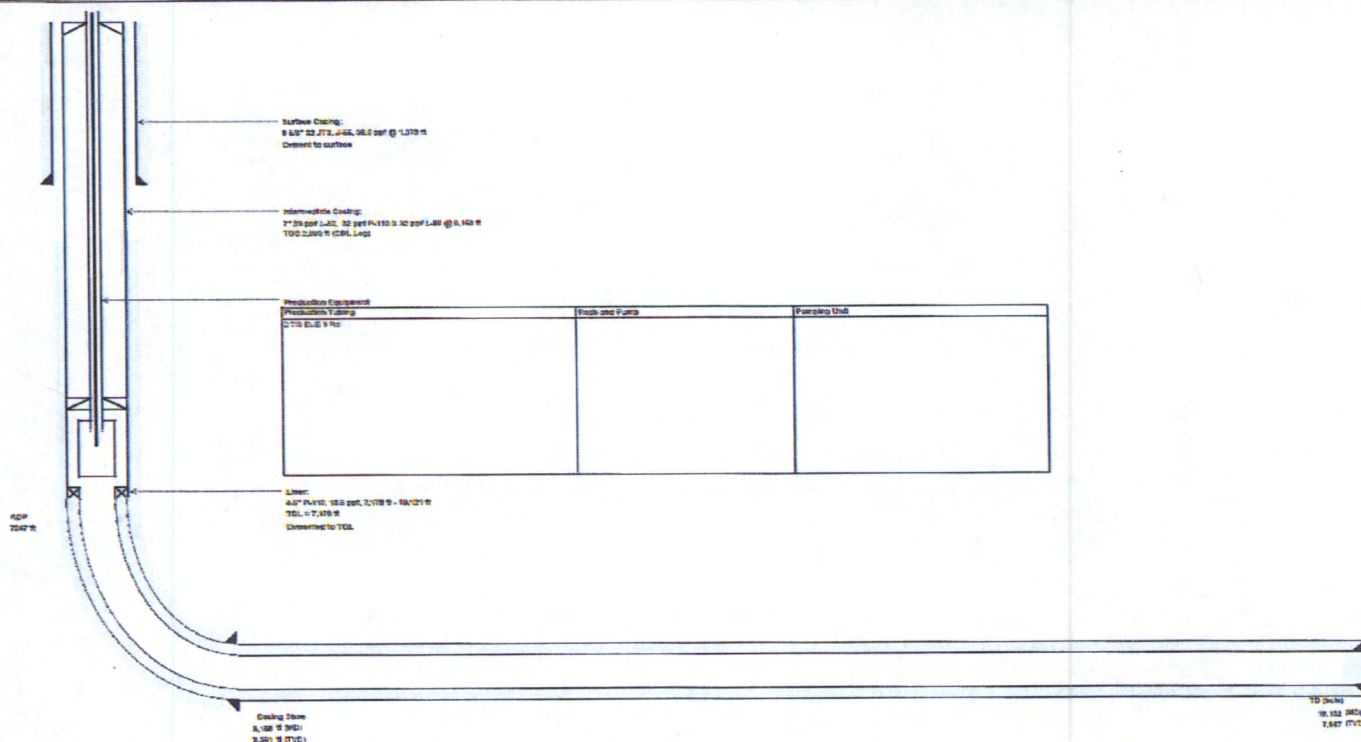
January 19, 2017

NDIC Case No. 25543

DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 7E
Identified By Kent

EXHIBIT 8

Drilling Plan & Well Design

[illegible]

January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 8
Identified By Kent

EXHIBIT 9
Reservoir Properties & Economics
Reservoir Properties

Formation Type	Silty Dolomite
Depth (TVD)	8000'
Vertical Thickness	100'
Porosity	6%
Water Saturation	45%
Oil Gravity	42° API
Bottom Hole Temperature	185°F
Bottom Hole Pressure	4400
Formation Volume Factor	1.49 STB/RB
GOR	1000 scf/STB
Gas Gravity	1.086
Gas Heating Value (Dry)	1760 btu
OOIP (1280 acres)	21,933 MSTB
Primary Recovery Factor	~20%
Primary Estimated Recoverable Reserves	4,386 MSTB
Primary Estimated Recoverable Reserves per Well	400 MSTB

Single Well Economics

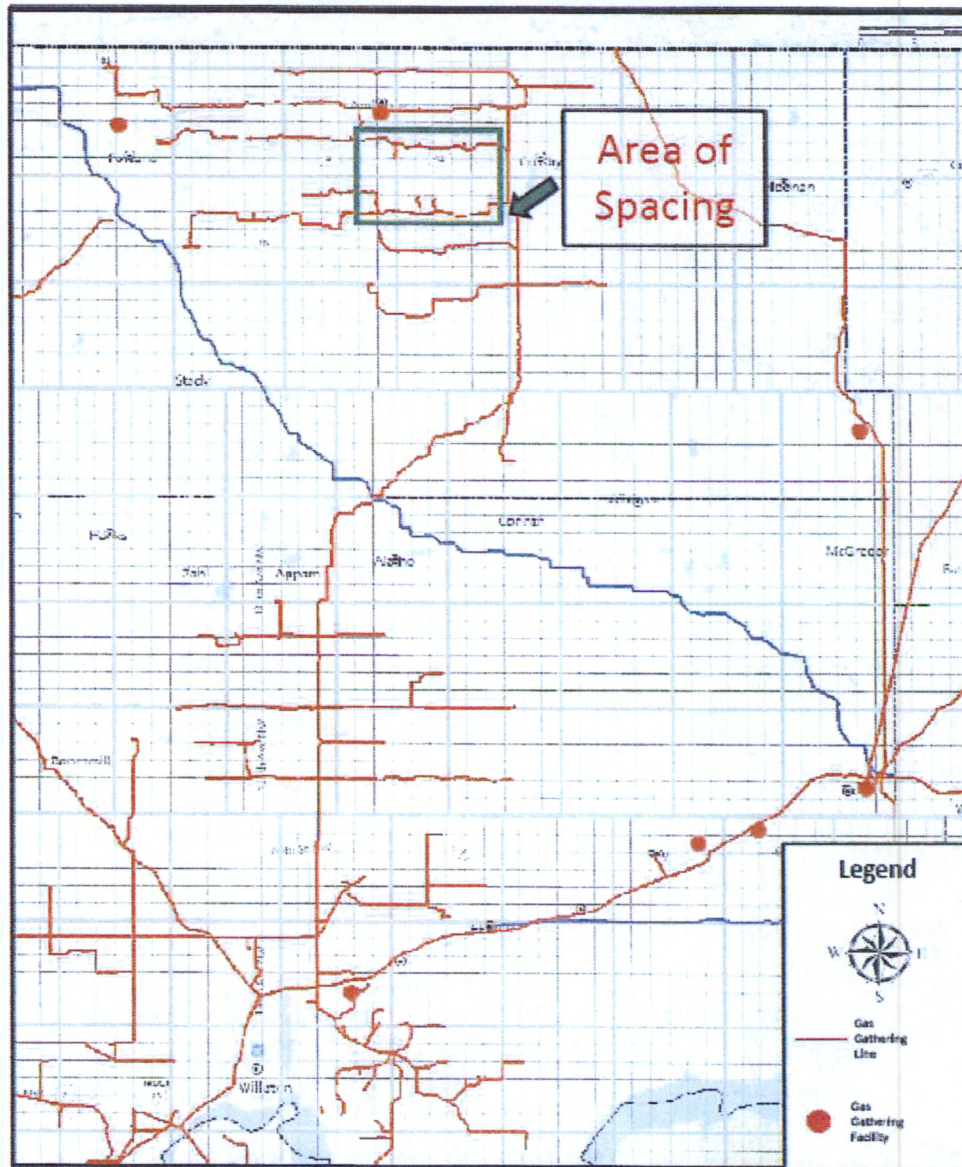
Well Life	33 yrs
Operating Cost	\$9411/mo
Royalties & Over-Rides	20%
Average Oil Price	\$42.50 (-\$7.50 deduct)
Average Gas Price	\$0
Net Sales	\$13,442,760
Oil Severance Tax (10%)	\$1,320,274
Gas Severance Tax (\$0.0601/MCF)	\$10,569
Operating Expenses	\$3,727,000
Net Income	\$8,384,917
Investment	\$4,200,000
Return on Investment	~21%

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 9
Identified By Kent

OneOK Pipeline Map (Divide County, ND)

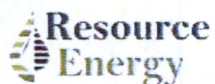
GAS CAPTURE PLAN



January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 10A
Identified By Kent

**EXHIBIT 10B**

Gas Capture Map

Pipeline specifications

1a.	Gas Gatherer:	ONEOK
1b.i.	Date on-line:	Q3-2018
1b.ii.	Estimated Rate:	350 Bopd and 200 Mcfd per well
2a.	Destination Gas Plant:	Hess Tioga (S26 T157N R95W)
2b.	Area Gas Gatherers:	ONEOK
2c.	Proposed Route:	Current lines existing in the field
3a.	Current System Capacity:	30 Mmcfd
3b.	Current System Thru-Put:	15 Mmcfd
3c.	Cap at 1st Sales Date:	30 Mmcfd
3d.	Est Rate 1st Sales Date:	12 Mmcfd
3e.	Gas Gatherer Plans:	None
4a.	Est 1st Prod Date:	Q3-2018
4b.	Est Flowback Rate:	350 Bopd and 200 Mcfd per well
5a.	Statewide Flare %:	3.1% for Resource Energy operated wells for 11/2016
5b.	Fieldwide Flare %:	3.6 % for Resource Energy operated wells for 11/2016
6a.	Flaring Alternative:	Company will make every effort to connect wells prior to the initial production date in order to prevent gas flaring. In the event that the company is unable to connect the wells to a gas pipeline within field or NDIC specified limit of first production, as it is economical based on gas compositions and contract terms, a temporary gas liquefaction unit will be installed until such time that a gas line is in place.
6b.	Est Flaring Reduction:	Could be as high as 80-90% based on mobile liquefaction unit up time

January 19, 2017

NDIC Case No. 25543

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA
DATE 1-19-17 CASE NO. 25543
Introduced By Resource Energy Can-Am
Exhibit 10B
Identified By Kent

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

Case No. 25543

Application of Resource Energy Can-Am LLC for an order amending the field rules for the Ambrose-Bakken Pool so as to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11, Sections 3 and 10, Sections 13 and 24, Sections 14 and 23, and Sections 15 and 22, Township 162 North, Range 99 West, Divide County, North Dakota, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and/or such other and further relief as appropriate.

Received

DEC 16 2016

ND Oil & Gas Division

APPLICATION OF RESOURCE ENERGY CAN-AM LLC

Resource Energy Can-Am LLC ("Resource Energy"), for its application to the North Dakota Industrial Commission ("Commission"), respectfully states as follows:

1.

That Resource Energy is the owner of an interest in the oil and gas leasehold estate in Sections 2 and 11, Sections 3 and 10, Sections 13 and 24, Sections 14 and 23, and Sections 15 and 22, Township 162 North, Range 99 West, Divide County, North Dakota ("the Subject Lands").

2.

That the Subject Lands are within the area defined by the Commission as the field boundaries for the Ambrose-Bakken Pool.

3.

That Resource Energy desires to utilize the horizontal drilling technique to further develop the Ambrose-Bakken Pool underlying the Subject Lands.

4.

That it is the opinion of Resource Energy that use of the horizontal drilling technique to further develop the Ambrose-Bakken Pool underlying the Subject Lands will increase the ultimate recovery of the reservoir.

5.

That pursuant to Section 38-08-07 of the North Dakota Century Code, the Commission is empowered to divide any pool into separate zones and to modify its previous spacing order when necessary to prevent waste, avoid the drilling of unnecessary wells or to protect correlative rights.

6.

That in order to prevent waste, to avoid the drilling of unnecessary wells and to protect correlative rights, the field boundaries for the Ambrose-Bakken Pool should be amended so as to establish five overlapping 1280-acre spacing units for the Ambrose-Bakken Pool for the Subject Lands authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit.

7.

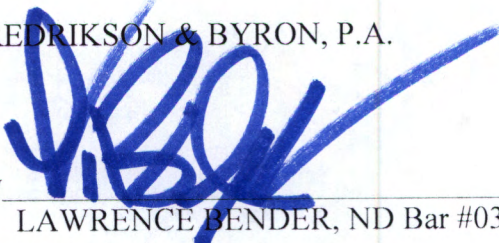
That Resource Energy, therefore, requests that the Commission enter an order amending the field rules for the Ambrose-Bakken Pool so as to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11, Sections 3 and 10, Sections 13 and 24, Sections 14 and 23, and Sections 15 and 22, Township 162 North, Range 99 West, Divide County, North Dakota, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and/or such other and further relief as appropriate.

WHEREFORE, Resource Energy requests the following:

- (a) That this matter be set for the regularly scheduled January 2017 hearings of the Commission;
- (b) That the Commission issue its order granting the relief requested and such other and further relief as the Commission may deem appropriate; and
- (c) That pursuant to Section 43-02-03-88.2 of the North Dakota Administrative Code, Resource Energy's witnesses in this matter be allowed to participate by telephonic means.

DATED this 16 day of December, 2016.

FREDRIKSON & BYRON, P.A.

By 
LAWRENCE BENDER, ND Bar #03908
Attorneys for Applicant,
Resource Energy Can-Am LLC
1133 College Drive, Suite 1000
P. O. Box 1855
Bismarck, ND 58502-1000
(701) 221-8700


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

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


LAWRENCE BENDER

Subscribed and sworn to before me this 16 day of December, 2016.




Notary Public
My Commission Expires:

60273863_1.DOC

December 16, 2016

Received

DEC 16 2016

ND Oil & Gas Division

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

RE: APPLICATION OF RESOURCE
ENERGY CAN-AM LLC FOR
JANUARY 2017 HEARINGS

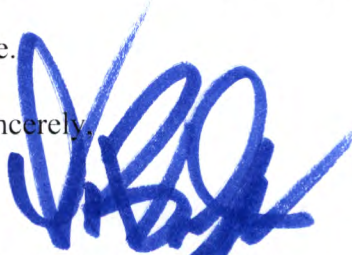
Dear Mr. Hicks:

Please find enclosed herewith for filing an APPLICATION OF RESOURCE ENERGY CAN-AM LLC

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

Should you have any questions, please advise.

Sincerely,



LAWRENCE BENDER

LB/leo

Enclosure

cc: Ms. Lauren Ross – (w/enc.) *Via Email*

Attorneys & Advisors
main 701.221.8700
fax 701.221.8750
www.fredlaw.com

Fredrikson & Byron, P.A.
1133 College Drive, Suite 1000
Bismarck, North Dakota
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Affidavit of Publication

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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. Thursday, January 19, 2017, 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 Friday, January 06, 2017.

STATE OF NORTH DAKOTA TO:

Case No. 25542: On a motion of the Commission to review the authorization and permit under Order No. 22913 for Newalta Environmental Services Inc. to operate a treating plant located in the NW1/4 of Section 14, T.150N., R.96W., McKenzie County, ND, known as the Johnson Corner Treating Plant #1 (Facility No. 700092-01), and such other relief as is appropriate.

Case No. 25543: Application of Resource Energy Can-Am LLC for an order amending the field rules for the Ambrose-Bakken Pool to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, T.162N., R.99W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25544: Application of Resource Energy Can-Am LLC for an order amending the field rules for the Whiteaker-Bakken Pool to create and establish an overlapping 1280-acre spacing unit comprised of Sections 3 and 10, T.161N., R.98W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on said overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25545: A motion of the Commission to consider the termination, or any other appropriate action, of the Livestock-Lodgepole Unit, Stark County, ND, operated by Denbury Onshore, LLC.

Case No. 24929: (Continued) Proper spacing for the development of the Moline-Bakken Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Emerald Oil, Inc.

Case No. 25083: (Continued) Proper spacing for the development of the Sheep Butte-Bakken Pool, McKenzie County, ND, redefine the field limits, and enact such special field rules as may be necessary. Emerald Oil, Inc.; XTO Energy, Inc.

Case No. 25084: (Continued) In the matter of a hearing called on the motion of the Commission to consider the termination, or any other appropriate action, of the Tracy Mountain-Tyler Unit, Billings County, ND, operated by Continental Resources, Inc.

Case No. 25085: (Continued) A motion of the Commission to review the temporarily abandoned status of the Continental Resources, Inc. #14-8, Ardene Well (File No. 13408) located in the SWSW of Section 8, T.138N., R.101W., Tracy Mountain Field, Billings County, ND, pursuant to NDCC § 38-08-04.

Case No. 25086: (Continued) A motion of the Commission to review the temporarily abandoned status of the Continental Resources, Inc. #2-9, Tracy Mountain Federal Well (File No. 14609) located in the SESE of Section 9, T.138N., R.101W., Tracy Mountain Field, Billings County, ND, pursuant to NDCC § 38-08-04.

Case No. 25503: (Continued) Application of Continental Resources, Inc. for an order amending the field rules for the Jim Creek and/or Rattlesnake Point-Bakken Pool to create and establish an overlapping 2560-

acre spacing unit comprised of Sections 22, 23, 26 and 27, T.146N., R.96W., Dunn County, ND, authorizing the drilling of a horizontal well on or near the section line between existing 1280-acre spacing units of the proposed overlapping 2560-acre spacing unit, and such other relief as is appropriate.

Case No. 25504: (Continued) Application of Continental Resources, Inc. for an order amending the field rules for the Bear Creek and/or Corral Creek-Bakken Pool, Dunn County, ND, as follows: (i) create and establish an overlapping 1280-acre spacing unit comprised of Sections 10 and 15, T.147N., R.96W., authorizing the drilling, completing and producing of a well with the lateral to be located approximately 300 feet from the east line of said proposed overlapping 1280-acre spacing unit; (ii) authorizing the drilling, completing and producing of a well with the lateral to be located approximately 300 feet from the west line of an existing 1280-acre spacing unit comprised of Sections 11 and 14, T.147N., R.96W.; (iii) authorizing the drilling, completing and producing of a well with the lateral to be located approximately 300 feet from the east line of an existing 1280-acre spacing unit comprised of Sections 11 and 14, T.147N., R.96W.; and (iv) authorizing the drilling, completing and producing of a well with the lateral to be located approximately 300 feet from the west line of an existing 1280-acre spacing unit comprised of Sections 12 and 13, T.147N., R.96W., as an exception to the provisions of the field rules for the Bear

Creek and/or Corral Creek-Bakken Pool and/or NDAC § 43-02-03-18 and such other relief as is appropriate.

Case No. 25502: (Continued) On a motion of the Commission to review the appropriate setbacks for wells permitted or completed in the 2560-acre spacing unit described as Sections 26, 27, 34, 35, T.153N., R.93W., Sanish-Bakken Pool; and the 2560-acre spacing unit described as Sections 28, 29, 32, and 33, T.153N., R.93W., Elm Tree-Bakken Pool, McKenzie and Mountrail Counties, ND, and such other relief as is appropriate.

Case No. 25506: (Continued) On a motion of the Commission to review the authorization, permit, and bond amount pursuant to Order No. 24130 for Apollo Resources, LLC to operate a treating plant known as the Madison Treating Plant #1 (Facility No. 700103-01), located in the SENW of Section 2, T.148N., R.102W., McKenzie County, ND, and such other relief as is appropriate.

Case No. 25546: Application of Statoil Oil & Gas LP for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 25 and 36, T.156N., R.101W., and Sections 30 and 31, T.156N., R.100W., Tyrone and/or East Fork-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25547: Application of Statoil Oil & Gas LP for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 13, 14, 23 and 24, T.156N., R.100W., East Fork-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25548: Application of Statoil Oil & Gas LP for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 14, 15, 22 and 23, T.156N., R.100W., East Fork-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25549: Application of Statoil Oil & Gas LP for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 25, 26, 35 and 36, T.156N., R.100W., East Fork-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25550: Application of Statoil Oil & Gas LP for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 26, 27, 34 and 35, T.156N., R.100W., East Fork-Bakken Pool, Williams County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25551: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 18, 19, 30 and 31, T.151N., R.97W., Elidah-Bakken Pool, McKenzie County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25552: Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 1 and 12, T.150N., R.97W., Dimmick Lake-Bakken Pool, McKenzie County, ND, as provided by NDCC § 38-08-08 and such other relief as is appropriate.

Case No. 25553: Application of Continental Resources, Inc. as provided for in NDAC § 43-02-03-88.1 for an order allowing the production from the following described wells: Anna 2-34H well (File No. 30154), Anna 3-34H well (File No. 30155), Anna 4-34H well (File No. 30156), Anna 5-34H well (File No. 30157), Anna 6-34H well (File No. 32966), Anna 7-34H well (File No. 32967), Anna 8-34H well (File No. 32968), and Anna 9-34H well (File No. 32969), to be produced into the Anna 2-9 Central Tank Battery or production facility, all located in Section 34, T.154N., R.100W., Last Chance Field, Williams County, ND, pursuant to 43-02-03-48.1 and such other relief as is appropriate.

Case No. 25509: (Continued) Application of Continental Resources, Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 22, 23, 26 and 27, T.146N., R.96W., Jim Creek and/or Rattlesnake Point-Bakken Pool, Dunn County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25554: Application of XTO Energy Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests in a spacing unit described as Sections 29 and 32, T.154N., R.96W., Grinnell-Bakken Pool, McKenzie and Williams Counties, ND as

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

Case No. 25555: Application of XTO Energy Inc. for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 29, 30, 31 and 32, T.154N., R.96W., Grinnell-Bakken Pool, McKenzie and Williams Counties, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25556: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 2 and 11, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25557: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 3 and 10, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25558: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 4 and 5, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25559: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 13 and 24, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25560: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 14 and 23, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25561: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 15 and 22, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25562: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 3 and 10, T.161N., R.98W., Whiteaker-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25563: Application of Resource Energy Can-Am LLC for an order authorizing the drilling, completing and producing of a total not to exceed eight wells on an existing 1280-acre spacing unit described as Sections 4 and 5, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25564: Application of Newfield Production Co. for an order authorizing the drilling, completing and producing of a total of not more than two horizontal section line wells on a north-south orientation on an existing overlapping 2560-acre spacing unit described as Sections 29, 30, 31 and 32, T.149N., R.95W., Bear Den-Bakken Pool, McKenzie County, ND, eliminating any tool error requirements and such further and additional relief.

Case No. 25513: (Continued) Application of Newfield Production Co. for an order authorizing the drilling, completing and producing of a total not to exceed five wells on an existing 1280-acre spacing unit described as Sections 30 and 31, T.159N., R.95W., Northwest McGregor-Bakken Pool, Williams County, ND, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25565: Application of McKenzie Energy Partners, LLC pursuant to NDAC § 43-02-03-88.1 for an order authorizing the drilling of a saltwater disposal well to be located in the NWSE of Section 10, T.156N., R.100W., East Fork Field, Williams County, ND, in the Dakota Group pursuant to NDAC Chapter 43-02-05 and such other relief as is appropriate.

Signed by,
Doug Burgum, Governor
Chairman, ND Industrial Commission
12/26 - 20877101

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ND Oil & Gas Div.

Affidavit of Publication

State of North Dakota, County of Divide, ss:

I, Cecile L. Wehrman, 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

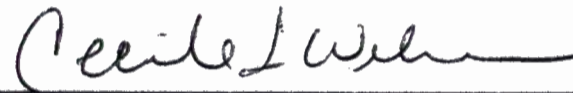
NOTICE OF MEETING

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

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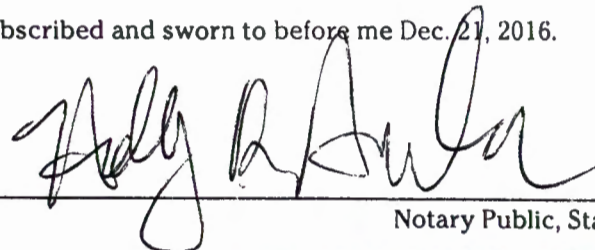
TOTAL CHARGE \$97.15

Signed

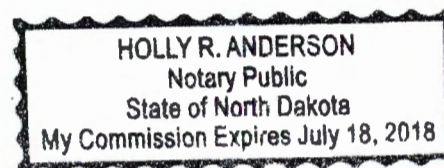


Cecile L. Wehrman, Publisher

Subscribed and sworn to before me Dec. 21, 2016.



Notary Public, State of North Dakota



N.D. INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

The North Dakota Industrial Commission will hold a public hearing at 9:00 a.m. Thursday, January 19, 2017, 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 Friday, January 06, 2017.

STATE OF NORTH DAKOTA
TO: Case No. 25543: Application of Resource Energy Can-Am LLC for an order amending the field rules for the Ambrose-Bakken Pool to create and establish five overlapping 1280-acre spacing units comprised of Sections 2 and 11; Sections 3 and 10; Sections 13 and 24; Sections 14 and 23; and Sections 15 and 22, T.162N., R.99W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on each overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25544: Application of Resource Energy Can-Am LLC for an order amending the field rules for the Whiteaker-Bakken Pool to create and establish an overlapping 1280-acre spacing unit comprised of Sections 3 and 10, T.161N., R.98W., Divide County, ND, authorizing the drilling of a total not to exceed eight wells on said overlapping 1280-acre spacing unit, eliminating any tool error requirements and such other relief as is appropriate.

Case No. 25556: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC §

NOTICE OF HEARING

43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 2 and 11, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate. **Case No. 25557:** Application of Resource Energy Can-Am LLC for an order pursuant to NDAC §43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 3 and 10, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25558: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 4 and 5, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate. **Case No. 25559:** Application of Resource Energy Can-Am LLC for an order pursuant to NDAC §43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 13 and 24, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25560: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC § 43-02-03-88.1 pooling all interests

for wells drilled on the overlapping spacing unit described as Sections 14 and 23, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25561: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC §43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 15 and 22, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25562: Application of Resource Energy Can-Am LLC for an order pursuant to NDAC §43-02-03-88.1 pooling all interests for wells drilled on the overlapping spacing unit described as Sections 3 and 10, T.161N., R.98W., Whiteaker-Bakken Pool, Divide County, ND, as provided by NDCC § 38-08-08 but not reallocating production for wells producing on other spacing units and such other relief as is appropriate.

Case No. 25563: Application of Resource Energy Can-Am LLC for an order authorizing the drilling, completing and producing of a total not to exceed eight wells on an existing 1280-acre spacing unit described as Sections 4 and 5, T.162N., R.99W., Ambrose-Bakken Pool, Divide County, ND, eliminating any tool error requirements and such other relief as is appropriate.

/s/ Doug Burgum,
Governor
Chairman,
ND Industrial Commission