NDSPLS 33rd Annual Convention February 8, 2012 Ramada Grand Dakota Lodge & Conference Center Dickinson, ND



NORTH DAKOTA *HORIZONTAL WELL BASICS -STAGE FRACKING *ACTIVITY *NDIC PERMITTING PROCESS -PLATS REQUIRED, RULES, **EXAMPLES & RIPARIAN ISSUES. *DISTANCE RESTRICTIONS AND** NOTICES

> Todd L. Holweger Permit Manager NDIC-Oil & Gas Division

North Dakota Department of Mineral Resources



https://www.dmr.nd.gov/oilgas/

https://www.dmr.nd.gov/ndgs/

600 East Boulevard Ave. - Dept 405 Bismarck, ND 58505-0840 (701) 328-8020 (701) 328-8000



- Drill with fresh water
- Total depth below lowest potable water
- Run in hole with surface casing
 - 1st layer of surface water protection
- Cement casing back to surface of ground
 - 2nd layer of surface water protection





- Drill 8-3/4" hole to pay
 - Run in hole with 7" casing
 - 3rd layer of protection
 - Cement 7" casing
 - 4th layer of protection

















Performing hydraulic fracture stimulation south of Tioga

- all Bakken wells must be hydraulically fractured to produce
- > 2 million gallons of water
- > 3 million pounds of sand
- cost > \$2 million

WHY FRACK THE ROCK?

already developed easy oil
 oil flows easily without <u>fracking</u>

Unconventional Reserves
reservoirs are tight
uneconomic to produce w/o fracking
must create a path for oil to flow



HYDRAULIC PRESSURI FRACTURES ROCK Thousands of fractures are created

• pumping water at 6,000-9,000 psi

• millions of pounds of sand and ceramic beads are pumped with the water to hold the fractures open.









IDRAULIC PRESSURE

Purposes of frack fluid

- crack the reservoir
- gel strength to carry sand

Frack fluid is produced back as flowback

Hydraulic Fracturing: Mixture of water, sand and chemicals pressurized and pumped into the well to form microscopic fractures in shale.



Three-Dimensional Geologic Model of the Parshall Area



North Dakota has been regulating the full life cycle of hydraulic fracturing for decades

 Water Comm—water withdrawls
 Industrial Comm—well permitting & disposal of flowback water
 Health Dept—spill cleanup



Industrial Commission Regulation

 Water flowback after frack
 Storage in open pits prohibited
 Disposal wells permitted through Underground Injection Program
 Disposal zone is 2,500 feet below potable waters Base of fresh water

Salt-Water Disposal



FRAC WATER NEEDS

Lake Sakakawea best water resource
 one inch contains 10 billion gal water
 5000 wells @ 2mil gal wtr/well
 2-year supply

FRAC WATER ADDITIVES

99.5% water and sand
80.5% water
19.0% proppant
0.5% chemicals
most are found in every household

NORTH DAKOTA – 54 DRILLING RIGS – Oct 2009



NORTH DAKOTA – 153 DRILLING RIGS – Oct 2010



Disclaimer: Neither the State of North Dekote, nor any agency, officer, or employee of the State of North Dekote werrants the accuracy or reliability of this product and shall not be held responsible for any losses caused by reliance on this product. Portfound of the information naive be incomed or out of date. Any person or entity that neles on any information obtained from this product flows so at hits or the own tisk.







NORTH DAKOTA - 200 DRILLING RIGS - JANUARY 2012



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information obtained from this product does so at his or her own risk.

DATE: 1/13/2012 Time : 7:53:24 AM





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Regionally Extensive

Area covered by Bakken source rocks in North Dakota



ESTIMATED MATURE AREA OF THE BAKKEN FORMATION



(Nordeng, 2010)



North Dakota Well Depth and % Horizontal






Oil and Gas Division

Lynn D. Helms - Director Bruce E. Hicks - Assistant Director Department of Mineral Resources Lynn D. Helms - Director North Dakota Industrial Commission www.dmr.nd.gov/oilgas/

For Immediate Release January 10th, 2012 Contact Alison Ritter 328-8036

North Dakota Surpasses Half a Million Barrels of Oil per Day

BISMARCK- North Dakota has reached a milestone in oil production. Preliminary November data released today, indicates that North Dakota is now producing more than half a million barrels of oil per day, at approximately 510,000 barrels. That's an increase of about 22,000 barrels from October and an increase of more than 150,000 barrels a day from one year ago.

"Oil production in the state has increased anywhere from 8,000 to 40,000 barrels a day, every month since June," says Oil and Gas Division Director Lynn Helms.

Recent data from California, the number three oil-producing state in the country, is producing about 570,000 barrels a day.

Production numbers for November show North Dakota producing nearly 15.3 million barrels for the month, as well as having 6,300 producing wells.

"This is big news for the state and the country. A half a million barrels a day represents about 10 percent of U.S. production. That's enough oil to displace imports from Iraq or Columbia," Helms said.

Data for December will not be released until February.



5756 total wells – 2489 Bakken horizontal (43.2%)







Small Footprint

- Developed 13,000 acres
- 14 wells
- rough topography
- LMR Confluence

Vern Whitten Photography



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😜 Unknown Zone





North Dakota Monthly Gas Flared



Performing hydraulic fracture stimulation south of Tioga

- all Bakken wells must be hydraulically fractured to produce
- > 2 million gallons of water
- > 3 million pounds of sand
- cost > \$2 million

BAKKEN PROVIDES ENERGY/JOBS

5,000 wells in next 2 yrs • will double our cur wells @ cur rigs all require hydraulic stimulation provides significant domestic energy creates numerous jobs

Job Opportunities

170 – 225 rigs
20,000 jobs in drilling
15 – 25 years
28,000 additional wells
28,000 long term jobs

NDSU Economic Impact Study

• Calendar Year 2009 Impact Study • \$5 billion direct impact \$13 billion secondary impact • \$822 million taxes 18,328 direct jobs • 52 rigs + \$52.35/bo Calendar Year 2010 Impact Study • 126 rigs + \$69.74/bo



BAKKEN FORMATION

NDIC-DMR estimated

- appr 200-300 billion bo in place in ND
 - 34-yr supply @ current US consumption
 - 2.1 billion bo recovery in ND w/1well
 - 4.2 billion bo recovery in ND w/2wells
 - 1-7 horizontal wells / spacing unit

USGS estimated (independent simultaneous study)

2.6 billion bo recovery in ND
largest continuous resource they have assessed in lower 48 States



THREE FORKS FORMATION

NDIC-DMR estimated

- 1.9 billion bo recovery in ND w/1well
- 3.8 billion bo recovery in ND w/2wells

USGS: (No study)



BAKKEN POOL: BAKKEN AND THREE FORKS ASSESSMENT EXPECTED ULTIMATE RECOVERY



(Nordeng and Helms, 2010))

NDIC PERMITTING. E-Permit info links on NDIC website





Please <u>TAKE ACTION NOW</u> to tell the EPA you support increased oil and natural

gas production--- and the use of hydraulic fracturing: a time-tested, safe process that

helps us access more of our own reserves! Three Forks Assessment CD

Call 328-8000 to order the 2010 Three Forks Assessment CD for

\$50.001

Welcome to the North Dakota Industrial Commission, Department of Mineral Resources, Oil and Gas Division,



home page.

North Dakota nd.gov Official Portal for North Dakota State Government

Oil and Gas Division eFile



Online Permitting

Before you can file permits online, you must fill out and return to our office, an <u>ePermit authorization form</u>. Once we receive the completed form, we will issue you a user-id and password to access the online permitting system. You may then log into the ePermit system using the link below.

File permits online.

Online Production and Injection Reporting

Before you can file production and injection data online, you must fill out and return to our office, an <u>eReport authorization form</u>. Once we receive the completed form, we will issue you a user-id and password to access the online reporting system. You may then log into the eReport system using the link below.

File form s 5, 5B, 16, 17, and 17A online.

North Dakota State Government



Oil and Gas Division ePermit

Online Permitting

Please read the <u>instructions and system requirements</u> for filing permits online prior to using the PDF forms.

Form 1 - Permit to drill a vertical or directional well. Form 1H - Permit to drill a horizontal well.

NDIC Form 1 & 1H authorization



North Dakota Industrial Commission Department of Mineral Resources Oil & Gas Division

FORM 1 – 1H

E-FILING AUTHORIZATION

COMPANY:

This form authorizes the person(s) listed below to access the Department of Mineral Resources E-Filing URL for the purpose of submitting for approval a Form 1 and/or Form 1H Application for Permit to Drill.

A new authorization will be required if any changes are to be made to the authorized individuals on the form.

The data submitted from the e-mail address(es) listed below have been checked and conform to the standards and procedures set forth by the NDIC Department of Mineral Resources.

Authorized Individuals

E-Mail Address

Authorized Signature:	Date:
Printed Name:	
Witness Signature:	Date:
Printed Name:	

e-Permitting instructions

North Dakota Oil and Gas Division Form 1 and Form 1H Data Entry Procedures

- Prerequisites

- Most current Adobe Reader free download from Adobe.com
 - Adobe Reader Settings Remove caching of previous entered forms data
 - Open Adobe Reader
 - Click Edit Preferences
 - · Remove the checkbox for "Keep forms data temporarily available on
 - disk
 - Click OK to close Adobe Reader
- Authorized UserID and Password from ND Oil and Gas
- Internet connection URL's below
 - Form 1H ("https://www.dmr.nd.gov/oilgas/webforms/wform1h.pdf"
 Form 1 (https://www.dmr.nd.gov/oilgas/webforms/wform1.pdf
 - Form I (<u>hups://www.dmr.ho</u>
- Procedure

 Templates
 - You do not have to create or use templates. You can simply enter permits
 - entirely from scratch, save them until complete, and submit them when they are done being entered.
 - Templates do potentially save time, since core information can be saved and doesn't need to be re-entered in each permit.
 - Entering a Permit
 - Overview
 - Once permits are submitted, you will no longer be able to view them.
 - Although you can save a copy of every permit prior to submitting (Save As New (Copy), it may get confusing paging through permits already submitted and new permits.
 - It would be more advisable to "Print" hard copies or "Print" to an image file such as a pdf writer or Microsoft Office Image Writer which will digitally save the file. This will keep your number of web permits down to a manageable number.
 - Create a template
 - A template could contain the base information such as company information, type of work, type of well, email addresses you want the approved permit information emailed to, etc. This will allow you to not have to re-enter data that is common to "MOST" of the permits applied for.
 - After entering the common data click "Save". This template will then be saved.
 - · You can have multiple templates in your system.

 Using a template to enter a new permit or click on "New Blank (Reset)" to start new.

- Using "View Previous" or "View Next", browse to the template you would like to base your permit on
- · Click "Save As New (Copy)" to create a copy of the template.

Preliminary Permitting steps

- Form 1H e-Permit
- Email attachments to apd@nd.gov: Certified surveyor's plat, horizontal section plat, geo tops, proposed mud/cementing plans, directional plot/plan
 - \$100 fee credit card or check
- Permit submitted into NDIC Queue

Addressing Permitting issues

Form 1 vs. attachments. Correct? Plats-Well location, Horizontal section, C/F diagram

- Google Earth (topo)
- **Proximity to map area reviews**
- Bonding
- Pierre Shale (min. surface casing depth) Magnetic Declination
- Field Orders
- Setbacks/hard lines

Workflow Module Stages

- Stage 0: SUBMITTED TO NDIC
- Stage 1: RECEIVED: Are all attachments in?
- Stage 2: VERIFY: Attachments to FM 1, map features
- Stage 3: RESEARCH: Orders, Pierre top, hard lines
- Stage 4: PERMIT: Review & permit when satisfied.

Final APD approval

- e-Permit transferred to RBDMS (calc HL)
- APPROVE and system generates FM 1H & permit letter.
- Email to permit & MWD survey guidelines letter directly to operator immediately
- Send secretaries notification for permit fee.
- Required open hole logs: resistivity & porosity. May request log waiver if control in area.
 PERMIT STIPULATIONS

Permit Letter



Oil and Gas Division

Lynn D. Helms - Director Bruce E. Hicks - Assistant Director
Department of Mineral Resources
Lynn D. Helms - Director

North Dakota Industrial Commission

www.oilgas.nd.gov

Angie M. Rawlinson Engineering Technician MUREX PETROLEUM CORPORATION 515 N. Sam Houston Pkwy East, Suite 485 Houston, TX 77060

> RE: HORIZONTAL WELL VANESSA ABIGAIL 33-28H SWSW Section 33-157N-95W Williams County Well File # 19540

Dear Angie :

Pursuant to Commission Order No. 15059, approval to dail the above captioned well is hereby given. The approval is granted on the condition that all portions of the well bore not isolated by cement, be no closer than the 200's etback from the north & south boundaries and 500' setback from the east & west boundaries within the 1280 acre spacing unit consisting of sections 33 & 28, T157N, RD5W.

October 7, 2010

PERMIT STIPULATIONS: Be advised the Nelson #13-28 SWD (5612) well is within 300 feet of the proposed wellbore for the Vanessa Abigaii #33-28H well. Precautions must be taken while designing the frac job for the Vanessa Abigaii #33-28H well as to not adversely affect the Nelson #13-28 SWD (5612) well. Tool error is not required pursuant to Order 15059.

New Policy

Operators shall not commence operations on a drill site until the 3rd business day following publication of the approved drilling permit on the NDIC - OGD Daily Activity Report. If circumstances require operations to commence before the 3rd business day following publication on the Daily Activity Report, the waiting period may be waived by the Director. Application for a waiver must be by sworm affidavit providing the information necessary to evaluate the externating circumstances, the factors of NDAC 43-02-03-16.2 (1), (a)-(f), and any other information that would allow the Director to conclude that in the event another owner seeks revocation of the drilling permit, the applicant should retain the permit.

Permit Fee & Notification

Payment was received in the amount of \$100 via credit card. The permit fee has been received. It is requested that notification be given immediately upon the spudding of the well. This information should be relayed to the Oil & Gas Elvision, Bismarck, via telephone. The following information must be included: Well name, legal location, permit number, drilling contractor, company representative, date and time of spudding. Office hours are 800 a.m. to 12:00 pm. and 1:00 pm. to 5:00 p.m. Central Time. Our telephone number is (701) 328-8020, leave a message if after hours or on the weekend. Angie M. Rawlinson October 7, 2010 Page 2

Survey Requirements for Horizontal, Horizontal Re-entry, and Directional Wells

NDAC Section 43-02-03-25 (Deviation Tests and Directional Surveys) states in part (that) the survey contractor shall file a certified copy of all surveys with the director free of charge within thirty days of completion. Surveys must be submitted as one electronic copy, or in a form approved by the director. However, the director may require the directional survey to be filed immediately after completion if the survey is needed to conduct the operation of the director's office in a timely manner. Certified surveys must be submitted via email in one adobe document, with a certification cover page to <u>certsurvey@ind.gov</u>.

Survey points shall be of such frequency to accurately determine the entire location of the well bore.

Reserve pit

Please be advised that conditions may be imposed on the use and reclamation of a drilling reserve pit on this site if specific site conditions warrant.

Surface casing cement

Tail cement utilized on surface casing must have a minimum compressive strength of 500 psi within 12 hours, and tail cement utilized on production casing must have a minimum compressive strength of 500 psi before drilling the plug or initiating tests.

Logs

NDAC Section 43-02-03-31 requires the running of a Cement Bond Log from which the presence of cement can be determined in every well in which production or intermediate casing has been stand a Gamma Ray Log must be run from total depth to ground level elevation of the well bore. All logs must be submitted as one paper copy and one digital copy in LAS (Log ASCII) format, or a format approved by the Director. Image logs that include, but are not limited to, Mud Logs, Cement Bond Logs, and Cybedook Logs, cannot be produced in their entirety as LAS (Log ASCII) files. To create a solution and establish a standard format for industry to follow when submitting image logs, the Director has given approval for the operator to submit an image log as a TIFF (*inf) formatted file. The TIFF (*inf) format will be accepted only when the log cannot be produced in entirety as LAS (Log ASCII) file format. The digital copy may be submitted on a 3.5° floppy diskette, a standard CD, or attached to an email sent to <u>digitallogs/dind.gov</u> Thank you for your cooperation.

Sincerely,

Dave McCusker Petroleum Engineer

Permit Stipulations

- Based on environmental factors
 - Topography (rough terrain)
 Closed system, no drilling pit
 - Aquifers in the area
 - Distance to a body of water
- Based on additional wells on the pad
 - Closed system, cuttings pit only.
- MULTI WELL PADS--We prefer operators submit only the wells which will be drilled consecutively on the pad. I.E. if 4 wells are noted on the pad we'll assume all will be drilled back to back.

FORM



APPLICATION FOR PERMIT TO DRILL HORIZONTAL WELL - FORM 1H

INDUSTRIAL COMMISSION OF NORTH DAKOTA OIL AND GAS DIVISION 600 EAST BOULEVARD DEPT 405 BISMARCK, ND 58505-0840 SFN 54269 (08-2005)

PLEASE READ INSTRUCTIONS BEFORE FILLING OUT FORM.

PLEASE SUBMIT THE ORIGINAL AND ONE COPY.											
Type of Work	Type of Well		Approximate Date Work Will \$	Start	Confidential Status						
New Location	Oil & Gas		9 / 13 / 2010		No						
Operator				Telephone	e Number						
MUREX PETROLEUM CORPORATION 281-590-3313											
Address		City		State	Zip Code						
515 N. Sam Houston Pkwy	East, Suite 485	Houst	on TX 77060								
Notice has been provided to the owner of any This well is not located within five hundred											

Notice has been provided to the owner of any permanently occupied dwelling within 1,320 feet.

feet of an occupied dwelling. WELL INFORMATION (If more than one lateral proposed, enter data for additional laterals on page 2)

VANESSA A	BIGAIL									33-2	Number 28H								
Surface Footage	s						Qtr-Qtr		Section	n	Townsh	nip	Range		Co	unty			
300	F S L			570 F	w	L	SWS	W	3	3	157	'N	95	w		William	S		
ongstring Casing Point Footages						0	Qtr-Qtr Section		n	Township		Range		County					
740	F S L			583 F	W	L	SWS	SW	3	3	157	N	95	w		William	s		
Longstring Casing Point Coordinates From Well Head						A	Azimuth Longstrin			ring Tot	ing Total Depth								
440 N	From W	H	1	3 E F	rom Wł	1	1.69 ° 998			981 Fe	Feet MD 9729 Feet T								
Bottom Hole Foo	tages From	n Nea	arest Se	ection Lir	ne	(Qtr-Qtr Section			n	Township				Co	County			
201	FNL			866 F	w	L	NWN	1W	2	8	157	' N	95	w		Williams	s		
Bottom Hole Coo	ordinates F	rom \	Nell He	ad		۲	KOP Lateral 1				uth Late	Estimate	Estimated Total Depth Lateral 1						
10068 N	From W	н	29	6 E F	rom Wł	ł	9288	Fe	eet MD		<u>1.69</u> °		196	12 Fe	eet N	/D 9	729 Feet TVD		
Latitude of Well I	Head		Longi	tude of V	Vell He	ad		NAD	Referen	nce	Descrip	otion of		(Subject to NDIC Approval)					
48 ° 22	2' 24.	4.08 " -102 ° 58 ' 12.92 " NAD83 Spacing Unit: sections 33 & 28, T157N, R95W																	
Ground Elevation	۱	A	cres in	Spacing	/Drilling	Uni	t Sp	Spacing/Drilling Unit Setback Requirement Industrial Commission Order								sion Order			
2323 Feet At	ove S.L.	e S.L. 1280 200 Feet N/S 500 Feet E/W 15059								059									
North Line of Spa	acing/Drilli	ng Un	nit	South L	ine of S	paci	cing/Drilling Unit Ea				ast Line of Spacing/Drilling Unit					West Line of Spacing/Drilling Unit			
	52	81 F	eet				528	31 Fe	eet			10)565 F	eet			10569 Feet		
Objective Horizo	ns													Pierre Shale Top					
Bakken															1643				
Proposed	Size			Weight		Dep	oth	C	ement V	olume	NOTE:	Surfac	e hole m	nust be	e dri	lled with fresh	water		
Surface Casing	9	- 5	/8 "	36	_b./Ft.	172	20 Fe	et 5	500	Sacks	and su	rface o	asing m	ust be	cen	nented back to	surface.		
Proposed	Size			Weight(s)		Long	string	Total De	pth			Cement Volume			Cement Top	Top Dakota Sar		
Longstring Casin	g	-		29-3	32 L	o./Ft	. 99	81 Fe	eet MD	97	29 Fee	t TVD	720	Sack	s	4000 Feet	4647 Fee		
Base Last Charles Salt (If Applicable) 8213 Feet NOTE: Intermediate or longstring casing string must be cemented above the top Dakota Group Sand.																			
Proposed Logs																			
mudlogs / M	WD GR	/ CE	BL w/C	GR to s	urf														
Drilling Mud Type (Vertical Hole - Below Surface Casing) Drilling Mud Type (Lateral)																			
Invert										Brine									
Survey Type in Vertical Portion of Well Survey Frequency: Build Section Survey Frequency: Lateral Survey Contractor								r											
Gvro MS Every 100 Feet 30 Fee							Foot		90 Feet Pathfinder										

NOTE: A Gamma Ray log must be run to ground surface and a CBL must be run on intermediate or longstring casing string if set.

Surveys are required at least every 30 feet in the build section and every 90 feet in the lateral section of a horizontal well. Measurement inaccuracies are not considered when determining compliance with the spacing/drilling unit boundary setback requirement except in the following scenarios: 1) When the angle between the well bore and the respective boundary is 10 degrees or less and the well bore is within 150 feet of the respective setback requirement; or 2) If industry standard methods and equipment are not utilized. Consult the applicable field order for exceptions.

If measurement inaccuracies are required to be considered, a 2° MWD measurement inaccuracy will be applied to the horizontal portion of the well bore. This measurement inaccuracy is applied to the well bore from KOP to TD.

REQUIRED ATTACHMENTS: Certified surveyor's plat, horizontal section plat, estimated geological tops, proposed mud/cementing plan, directional plot/plan, \$100 fee. See Page 2 for Comments section and signature block.

Page 2 SFN 54269 (08-2005)

Pool

BAKKEN

COMMENTS, ADDITIONAL INFORMATION, AND/OR LIST OF ATTACHMENTS

Permit Type

DEVELOPMENT

This is the 2nd well in this spacing unit. The first is the LeAnn Rae #28-33H file #16035.

Lateral 2													
KOP Lateral 2	Azimuth Lateral 2	Estimat	Estimated Total Depth Lateral 2 KOP Coordinates From Well Head										
Feet MD	•			Feet MD Feet TVD					Fron	n WH	From WH		
Formation Entry Point C	Coordinates From We	Bottom Hole C	Bottom Hole Coordinates From Well Head										
From WH From V			٧H	From V					From WH	_			
KOP Footages From No			Qtr-Qtr	Section		Township	p	Range	c	County			
F	L					w	+						
Bottom Hole Footages		Qtr-Qtr	Section		Township	Range	C	County					
F					N	w							
Lateral 3													
KOP Lateral 3	Azimuth Lateral 3	Estimat	ted 1	Total Depth Late	eral 3			KOP	Coordinates R	rom	n Well Head		
Feet MD	۰			Feet MD Feet TVD			et TVD			Fron	n WH	From WH	
Formation Entry Point C	coordinates From We	ell Head		Bottom Hole Coordinates From Well Head									
From	WH	From V	٧H		From W	н			From WH	_			
KOP Footages From Ne	arest Section Line			Qtr-Qtr	Section		Township	p	Range	c	County		
F	L	F	L						W				
Bottom Hole Footages	From Nearest Section	n Line		Qtr-Qtr	Section	Section T		р	Range		County		
F	L	F	L					Ν	w				
Lateral 4													
KOP Lateral 4	Azimuth Lateral 4	Estimat	ted T	Total Depth Late	ral 4			KOP	Coordinates I	From	n Well Head		
Feet MD	۰			Feet MD		Fe	et TVD			Fron	n WH	From WH	
Formation Entry Point C	Coordinates From We	ell Head		Bottom Hole Coordinates From Well Head									
From	WH	From V	٧H	From WH					From WH				
KOP Footages From Ne	arest Section Line			Qtr-Qtr	Section		Township	р	Range	0	County		
F	L	F	L					Ν	w				
Bottom Hole Footages	From Nearest Sectio	n Line		Qtr-Qtr	Section Township			p	Range	c	County		
F	L	F	L				N		w				
Lateral 5													
KOP Lateral 5	Azimuth Lateral 5	Estimat	ted T	Total Depth Late	ral 5			KOP	Coordinates I	rom	n Well Head		
Feet MD	0			Feet MD		Fe	eet TVD From WH From WH						
Formation Entry Point C	oordinates From We	ell Head		Bottom Hole C	oordinates F	ron	Well He	ad					
From	WH	From V	VH		From W			From WH					
KOP Footages From Ne	arest Section Line			Qtr-Qtr	Section Towns		Township		Range	County			
F	L	F	L				N		w				
Bottom Hole Footages	From Nearest Sectio	n Line		Qtr-Qtr	Section	tion Township			Range		County		
F	L	F	Ĺ.	· ·			1	N	w				
				•						_	-		
I hereby swear or affirm	the information prov	vided is tru	10, C	omplete and cor	rrect as dete	rmir	ned from a	all av	ailable records	C.	Date 8 / 3	0 / 2010	
		d Name					Title						
ePer	Ang	ie M. Rawlin	nson			- 11	Engineering	g T	Technician				
			-	-				_	-	-			
					FOR S	TAT	TE USE ONLY						
Permit and File Number 19540	- 01958			Date App	prove	d	9	9 / 14 / 2010					
Field				Ву									
MIDWAY							Dave McCusker						

Petroleum Engineer

PLAT REQUIREMENTS

NDIC Oil & Gas Division requires

- Certified well location plat,
- Certified Horizontal Section plat
- Certified Bottom Hole Location plat
- Certified Cut and Fill Diagrams
 - Pad Layout Design.
 - Pad layout volumetrics (Cubic yards used, acreage of pad).
- Good and Bad Examples of each.

Well Location Plat requirements

- Prepared in accordance with NDCC 40-50.1.
 - MONUMENTS—"EXCECUTED WITH GREAT CARE"
 - NDPLS guidelines: "Ascertain that the monuments used to determine section lines are the section corner monuments according to the rules as defined by the BLM Manual of Instructions. Land Surveyor is responsible for rehabilitating monuments and corner recordation.
- Plat Must have ND Stamp. Must be RLS in ND Per NDCC 43-19.1-01
- Must depict ground level at well head.
- Plats referenced to True North.



Horizontal Section Plats

- Prepared in accordance with NDCC 40-50.1.
 - Monuments.
- Plat Must have ND Stamp. Must be RLS in ND Per NDCC 43-19.1-01
- Boundary Survey.
 - Submit all plats which define the spacing unit. (i.e.: 2- "640" acre plats if "1280" acre spacing unit).
- Depict all ¼ section distances.





Bottom Hole Location Plat


Cut and Fill Diagram

- Prepared in accordance with NDCC 40-50.1.
 - Must be stamped by a registered land surveyor or engineer.
- Pad cannot be located in a drainage or hazardously near a body of water.
 - Pad Layout Design
 - Typical Cross Sections
- Cut and Fill diagram
 - Depict Cut and Fill on corners of pit
 NO FILL in Pit (or corners) per NDAC 43-02-03-19
 - Depict Cut and Fill on corners of the location
 - Depict Cut and Fill at the well head



Typical Cross Section/volumetrics

Must contain volume of dirt disturbed
 Must contain acreage of the pad



	and the second se				
Bars				2H	
Sect				.M.	
N	Aountrail C	County, No	orth Dakot	a	
E	Barstad 23—1 Barstad 23— Barstad 23— Well Pad Ele	14 #1H 14 #2H 14 #3H evation	2324.4' MS 2324.9' M 2325.6' M 2321.1' M	SL SL SL SL	
Excavatio Plus Pit	on		17,4 	40 C.Y. 50 C.Y. 90 C.Y.	
Embankr Plus Shr	nent inkage (+3	0%)	9,4 2,8 12,3	85 C.Y. 45 C.Y. 30 C.Y.	
Stockpile	Pit		2,0	50 C.Y.	
Stockpile Road En Stockpile	Top Soil (nbankment from Pad	(6") &	4,7	65 C.Y. 45 C.Y.	
Disturbed Area From Pad			5.9	1 Acres	
NOTE : All cut all fill e	end slopes and slopes	are desigr are design	ned at 1:1 ed at 1 1,	slopes & /2:1 slopes	
Barstad 23-14	#1H Barst	ad 23-14	#2H Bars	stad 23–14	#3H
450' FSL 2340' FEL		450'FSL 2315'FEL		450' FSL 2290' FEL	
4' Free Boord	2 : 1 500	1 : 1 Slops Reserve Pit 14' Dec 1: 1 Step 180'	pp 2:1	Confidentiality No The information on this plot is privileged and or for the use of information later for the use of intended respire and karaky notif any use, discar distribution or of this information prohibited.	olice: contained egaly antidential whether antipiants. The antipiants. As you institut, antipiants. As you institut, antipiants. Statut institut, antipiants. Statut institut
	<u> </u>		/	14" Deep	

"Good" well location plats





"Good" well location Plat



"Poor" well Location Plat



"Poor" horizontal section plats



"acceptable" Pad Layout Plat



Cross Sections





- Section Corner MONUMENTATION-reviewing plats much closer.
- Monument reference notes & symbols.
- Plats Referenced to True North (always required).
- April 2010 adopted rule in NDAC which requires Cut/Fill Diagrams.
 - <u>Cut/Fill needs to be noted in corner of Pad as well as Drilling</u> <u>Pit Corners</u>
- CERTIFICATION STAMP
 - All "well location" plats need to be stamped by a licensed land surveyor
 - All Cut/Fill diagram plats need to be stamped by either a licensed land surveyor or licensed professional engineer.

Riparian Issues

- Should review original GLO plats as they relate to the current actual water mark.
- Each situation may be different.
- Make sure to note all Lots and original GLO water mark.
- □ Find original monuments or set if necessary.
- Original GLO plats online at the State Water Commission website:

http://survey.swc.nd.gov/



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10/06/22





http://survey.swc.nd.gov/glos/153102/ndglo153102a.png

1/17/2012

Riparian Issues: Ordinary High Water Mark

- Commission heard Case 15892. Brigham Vs. Hess per NDAC 43-02-03-16.2.
- Hess requested to suspend Brigham permit.
- Dispute of mineral acreage underlying Missouri River from OHWM. ND Dept. of Trust Lands owns minerals w/in ordinary high water mark of navigable lakes & streams.
 - Testimony provided.
 - Both Operators have similar experience in Bakken drilling and operating wells.

Ordinary High Water Mark Cont.

- Pursuant to NDAC Section 43-02-03-16.2, in deciding whether to revoke or limit a permit, if the amount of the interest owned by the permitholder and its partners is a majority of the ownership, the Commission will presume that the permit should be retained. However, if the amount of the interest owned by the owner seeking revocation or limitation and its supporters are a majority of the ownership, the Commission will presume that the permit should be retained.
- Brigham owns 62% based on riparian land owners also claiming WI in 1280. Hess 59% owns or controls.
- The Commission does not have jurisdiction to settle the dispute of mineral ownership in this matter. The Commission concludes that Hess has not supplied sufficient evidence to overcome the presumption that Brigham holds a majority of the working interest in the spacing unit.
- Based on Working Interest: The Commission decided Brigham should not similar the marmit

Distance Restrictions and Notices

- Section Lines
- Notice issues for occupied dwellings
- Distance to an occupied dwelling regulated by NDIC
- Notice to stake a well.

Section Line Setback

- Well will not be permitted by NDIC which overlaps a section line within 33' of R/W.
- NDCC 24-06-28. Obstruction of section lines prohibited Exception -Certain fences not considered obstructions - Obstructions and traffic safety hazards - Penalty.
 - 1. A person may not place or cause to be placed any permanent obstruction within the vertical plane of thirty-three feet [10.06 meters] of any section line or within the right of way of any highway, unless written permission is first secured from the board of county commissioners or the board of township supervisors, as appropriate. The permission must be granted where the section line has been closed pursuant to section 24-07-03 or where the topography of the land along the section line is such that in the opinion of the board of county commissioners or board of township supervisors, as the case may be, the construction of a road on the section line is impracticable.

NDIC Occupied Dwelling restrictions

- Applicant (O&G operator) shall provide notice to the owner of any permanent occupied dwelling within <u>one quarter mile</u>. Per NDCC 38-08-05.
- continued..." the commission may not issue a drilling permit for an oil and gas well that will be located within <u>500 feet</u>"
 - Noted on Form 1 & 1H.
 - If less than 500' commission requires an affidavit and certified plat distances from the well to the occupied dwelling.

Notice to Stake Location

Notice of Operations – per NDCC 38-11.1-04.1 "before the initial entry upon the land for activities including inspections, staking, surveys, measurements,...<u>shall provide at</u> *least seven days notice* by registered mail or hand delivery to the surface owner unless waived by mutual agreement by both parties". Operator would typically take care of "notice", but surveyor should verify that it has been done.

PLAT requirement Overview

- NDIC reviews all submitted plats with a critical eye.
- □ **True North**. (Not Grid or "assumed").
- Monuments--Boundary Survey-KNOW YOUR SPACING UNIT.
- "Stamp" all plats to include well location, horizontal section plats, pad layout, crosssections
- □ Riparian Issues NDIC does not regulate.
- Surveyors are first on site so take care to examine the area. Let operator know about potential topo issues, landowner dwellings, etc.

Overview continued

-NDSPLS Recommended Guidelines for the Practice of Land Surveying in ND.

- Section 51-1.10.
- -File Corner Recordation in accordance with NDCC 47-20.1.

-Previously approved NDIC permits available online via Basic Service. View with GIS Map Server.

-NDIC expects plats to be filed accordance with NDCC 40-50.1.