

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 6080
ORDER NO. 7043

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF SAMEDAN OIL CORPORATION FOR AN ORDER PURSUANT TO SECTION 43-02-03-88.1 OF THE NORTH DAKOTA ADMINISTRATIVE CODE ALLOWING THE COMMINGLING OF HYDROCARBONS PRODUCED FROM THE SADLER-BAKKEN AND SADLER-MADISON POOLS IN THE WELLBORE OF THE CAMP DAVIS STATE #1-16 WELL, LOCATED IN THE SW NW OF SECTION 16, T.161N., R.95W., DIVIDE COUNTY, NORTH DAKOTA.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m. on the 24th day of May, 1995, in Bismarck, North Dakota, before an examiner appointed by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 1st day of June, 1995, the Director, on behalf of the Commission as authorized by the Commission, having considered the testimony adduced and the exhibits received at said hearing, and being fully advised in the premises,

FINDS:

(1) That due public notice having been given as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.

(2) That pursuant to North Dakota Administrative Code Section 43-02-03-88.1 the Director is authorized to sign on behalf of the Commission orders relating to, inter alia, commingling in one wellbore the fluids from two or more pools under Section 43-02-03-42.

(3) That Samedan Oil Corporation is desirous of commingling production from the Sadler-Bakken and Madison Pools in the wellbore of its Camp Davis State #1-16 well, located in the SW NW of Section 16, Township 161 North, Range 95 West, Divide County, North Dakota.

(4) That the Bakken and Madison Pools in the Camp Davis State #1-16 well have identical spacing units.

(5) That if this application is granted, additional oil will be recovered by said well.

(6) That production allocation would be based upon the differences in chemical composition of oil from each respective pool.

(7) That the commingling of production from said pools in the Camp Davis State #1-16 well will recover oil that might not otherwise be produced and will protect correlative rights.

(8) That in order to prevent waste and protect correlative rights this case should be granted with provisions.

IT IS THEREFORE ORDERED:

(1) That Samedan Oil Corporation, its assigns and successors, is hereby permitted to commingle production in the wellbore from the Sadler-Bakken and Madison Pools in its Camp Davis State #1-16 well, located in the SW NW of Section 16, Township 161 North, Range 95 West, Divide County, North Dakota.

(2) That approval in (1) above is contingent upon the following provisions:

- (a) That the operator submit a Sundry Notice, Form 4, to the Oil and Gas Division prior to commingling, describing the proposed procedures for conversion to commingling.
- (b) That the allocation of oil to respective pools shall be by a chemical fingerprint analysis method approved by the Director.
- (c) That a chemical fingerprint analysis, of a representative sample of the commingled oil, be performed at regular intervals as approved by the Director.
- (d) That a copy of the chemical fingerprint analysis be submitted to the Oil and Gas Division within thirty (30) days of the test date.
- (e) That the results of all allocation tests required by the Director shall be reported to the Oil and Gas Division within thirty (30) days of the test date.

(3) That any authorization for commingling of production granted under the provisions of this order is contingent upon full compliance with the terms and conditions approved by the Director to insure proper allocation of production from the respective pools authorized to be commingled. Such authorization may be immediately revoked or rescinded by the Director upon a determination by the Director of noncompliance.

(4) That this order shall remain in full force and effect until further order of the Commission.

Dated this 1st day of June, 1995.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission.

/s/ Wesley D. Norton, Director