

BEFORE THE INDUSTRIAL COMMISSION
OF THE STATE OF NORTH DAKOTA

CASE NO. 6616
ORDER NO. 7713

IN THE MATTER OF A HEARING
CALLED ON A MOTION OF THE
COMMISSION TO CONSIDER THE
APPLICATION OF SAMEDAN OIL
CORPORATION FOR AN ORDER
ALLOWING A SECOND WELL TO BE
COMPLETED IN AND PRODUCE FROM A
SPACING UNIT FOR THE
SADLER-MADISON POOL DESCRIBED AS
THE SW/4 OF SECTION 4, T.161N.,
R.95W., DIVIDE COUNTY, NORTH
DAKOTA, AS AN EXCEPTION TO THE
APPLICABLE FIELD RULES.

ORDER OF THE COMMISSION

BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:00 a.m. on the 18th day of December, 1996, in Bismarck, North Dakota, before an examiner appointed by the Industrial Commission of North Dakota, hereinafter referred to as the "Commission."

NOW, on this 31st day of December, 1996, the Commission, a quorum being present, 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) Applicant is the owner of an oil and gas leasehold estate in the SW of Section 4, Township 161 North, Range 95 West, Divide County, North Dakota.

(3) Said tract of land is within the boundaries of the Sadler Field, and forms a spacing unit for the Madison Pool, and the spacing for such pool established by Commission Order No. 4915 provides for one well per 160 acres and requires wells to be located at least 500 feet from the boundary of a spacing unit and no closer than 1650 feet to another well permitted to or producing from the pool.

(4) Currently, one well is producing from said spacing unit.

(5) Evidence presented to the Commission indicates that said well is not efficiently and effectively draining said spacing unit.

(6) An additional well on the spacing unit in (2) above will increase the ultimate recovery of oil and gas from the pool in the 160-acre spacing unit, and will produce oil and gas that might otherwise not be produced.

(7) The second well on the spacing unit was initially productive in another pool and the operator is now requesting a recompletion in the Madison Pool.

(8) The additional oil and gas to be recovered by the second well on said spacing unit will pay for the cost of the well and yield a profit. Hence, the well will be economic. The well is necessary to efficiently and effectively drain the reservoir and maximize the ultimate recovery from the

spacing unit.

(9) The second well in the spacing unit does not meet the requirements of (3) above. The Johnson #2-4 well is located 413 feet from the west line and 582 feet from the south line of Section 4, Township 161 North, Range 95 West, Divide County, North Dakota.

(10) In order to prevent waste this application should be approved.

IT IS THEREFORE ORDERED:

(1) Applicant, its assigns and successors, is hereby permitted a second well in the spacing unit for the SW/4 of Section 4, Township 161 North, Range 95 West, Divide County, North Dakota, as an exception to the spacing requirements in the Sadler-Madison Pool.

(2) The second well in (1) above shall be located in the SW SW of Section 4, Township 161 North, Range 95 West, Divide County, North Dakota.

(3) Said well shall not produce more than its fair and equitable share of the oil and gas in the reservoir.

(4) Applicant shall apply for an exception location for said well in (2) above within 30 days as prescribed under Section 43-02-03-18.1 of the North Dakota Administrative Code.

(5) This order shall remain in full force and effect until further order of the Commission.

Dated this 31st day of December, 1996.

INDUSTRIAL COMMISSION
STATE OF NORTH DAKOTA

/s/ Edward T. Schafer, Governor

/s/ Heidi Heitkamp, Attorney General

/s/ Sarah Vogel, Commissioner of Agriculture