#### BEFORE THE INDUSTRIAL COMMISSION

#### OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN ORDER POOLING ALL INTEREST IN THE SPACING UNIT DESCRIBED AS THE N/2, SECTION 33, TOWNSHIP 140 NORTH, RANGE 96 WEST, STARK COUNTY, NORTH DAKOTA.

CASE NO. 888 ORDER NO. 960

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

A hearing having been held in Grand Forks, North Dakota, on January 23, 1968, at 9:30 a.m., before Clarence B. Folsom, Jr., a Special Examiner appointed for the purpose.

NOW, on this day of , 1968, the Industrial Commission of North Dakota, hereinafter referred to as 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) Due public notice having been given, as required by law, the Commission has jurisdiction of this cause and the subject matter thereof.
- (2) That Continental Oil Company is the owner of a lease-hold in the N/2 of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota.
- (3) That said tract is within the boundaries of the Dickinson-Heath Pool as established by the Commission.
- (4) That said tract constitutes a spacing unit in the Dickinson-Heath Pool in accordance with orders of the Commission.
- (5) That Continental Oil Company is the operator of a well drilled on said spacing unit in accordance with the orders of the Commission.
- (6) That there are numerous separately owned royalty interests in said spacing unit.
- (7) That the applicant has made diligent efforts to obtain voluntary pooling agreements from all of the royalty owners but has not been able to do so.

### IT IS THEREFORE ORDERED:

- (1) That all interests in the N/2 of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota, be, and the same are hereby pooled.
- (2) That the well drilled in the SW NW of Section 33, Township 140 North, Range 96 West, be, and it is hereby, designated as the well for the spacing unit, and that Continental Oil Company, be, and is hereby, designated as the operator of said well.
- (3) That all interested parties shall participate in the production of said well in such proportion as their interest bears to the total interest.
- (4) That this pooling order shall apply only to the Heath Pool as defined in Commission's order.
- (5) That, in the event that the spacing units in the Dickinson-Heath Pool are changed, or altered, by an order of the Commission, then this order shall terminate as of the date of said spacing order.

DONE, at Bismarck, North Dakota, this /stday of Jel., 1968.

NORTH DAKOTA INDUSTRIAL COMMISSION

William L. Guy, Governor

Helq Hame

Helgi Johanneson, Attorney General

Dahl, Commissioner of Agriculture

## INDUSTRIAL COMMISSION 1 STATE OF NORTH DAKOTA 3 CASE NO. 888 ON A MOTION OF THE COMMISSION TO 5 CONSIDER THE APPLICATION OF CON-TINENTAL OIL COMPANY FOR AN ORDER POOLING ALL INTEREST IN THE SPACING TRANSCRIPT UNIT DESCRIBED AS THE N 1/2 OF SEC-TION 33, TOWNSHIP 140 NORTH, RANGE 96 WEST, STARK COUNTY, NORTH DAKOTA. 10 Leonard Hall 12 University of North Dakota 13 Grand Forks, North Dakota January 23, 1968 14 9:30 o'clock a.m. 15 16 Met pursuant to notice. 17 BEFORE THE NORTH DAKOTA STATE INDUSTRIAL COMMISSION. 18 CLARENCE B. FOLSOM, JR., PRESIDING. 19 APPEARANCES: 20 ERNEST R. FLECK, appearing for Continental Oil Company. 21 22 23 26

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MR. FOLSOM: The hearing will come to order. This is a hearing called on a motion of the Industrial Commission to consider Case No. 888. This case has been referred to C. B. Folsom and Wesley Norton as Trail Examiners. Let the record show that there have been no written objections filed to either of the examiners, and let the record also show that this case was advertised as required by law. The advertisement having appeared in the Bismarck Tribune on the 11th of January and the Dickinson Press on the 10th of January. Ten days having elapsed, the Commission has jurisdiction of this matter, and we will proceed. Who wishes to appear for the applicants in this case? Do you solemnly swear that the testimony you are about to give in the matters now in hearing shall be the truth, the whole truth, and nothing but the truth, so help you God?

MR. FLECK: I do.

MR. FOLSOM: You may proceed. State your name, address, and who you represent.

MR. FLECK: My name is Ernest R. Fleck, and I am an attorney in Bismarck, North Dakota. I am appearing in this matter on behalf of Continental Oil Company. I am familiar with and have studied the files and records of Continental Oil Company to the extent that such relate to the matter being heard. Continental Oil Company is one of the owners and is the operator of the spacing unit described as the N 1/2 of Section 33, Township 140 North, Range

96 West, Stark County, North Dakota. Such spacing unit is within the outlines of the Dickinson-Heath Pool, and is further within the zone of such pool that is spaced on a 320-acre pattern pursuant to orders of the Industrial Commission of the State of North Dakota. There are approximately fifteen (15) separate royalty owners under the said spacing unit and that only two of such royalty owners have executed a voluntary pooling agreement. Efforts have been made to obtain execution of a voluntary pooling agreement by the other royalty owners, but such efforts have not been successful. There are separately owned tracts and separately owned interests within the said spacing unit.

It is therefore requested that the Industrial Commission issue its order pooling all interest in the said described spacing unit in accordance with the statutes of the State of North Dakota. This concludes our testimony.

MR. FOLSOM: Has a well been drilled on this spacing unit?

MR. FLECK: A well has been drilled on this spacing unit and is producing in commercial quantities.

MR. FOLSOM: Does anyone have any questions to ask to the witness? Let the records show that there was no one present who was in opposition to the application. Does anyone present have anything further to offer in Case No. 888? If not, the case will be taken under consideration; and a transcript will be made and forwarded to the Commission for further action.

NORTH DAKOTA

1	STATE OF NORTH DAKOTA )
2	COUNTY OF GRAND FORKS )
3 4 5	I CERTIFY that the record of this hearing was made under my direction, and has been continuously in my custody; that no alterations or additions have been made to the record; and that this transcript thereof is true and correct, to the best of my know- ledge and belief.
7 8 9 10	DONE at Grand Forks, North Dakota, this 23rd day of January, 1968.  Clarence B. Folsom, Jr.  Chief Petroleum Engineer
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13 14 15	STATE OF NORTH DAKOTA ) ) ss COUNTY OF GRAND FORKS )
16 17	I HEREBY CERTIFY that the foregoing is a true and correct transcript of the original tape recording of said hearing, and a full and complete statement of the testimony and other proceedings which it purports to contain.
19	DONE at Grand Forks, North Dakota, this 23rd day of January, 1968.
21 22	Bonita Roth, Secretary
23 24	North Dakota Geological Survey
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26 27	

# BEFORE THE INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

CASE NO. 888

ON MOTION OF THE COMMISSION TO CONSIDER THE APPLICATION OF CONTINENTAL OIL COMPANY FOR AN ORDER POOLING ALL INTEREST IN THE SPACING UNIT DESCRIBED AS THE Note of Section 33, Township 140 North, RANGE 96 WEST, STARK COUNTY, NORTH DAKOTA.

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My name is Ernest R. Fleck and I am an attorney in Bismarck, I am appearing in this matter on behalf of Continental North Dakota. Oil Company. That I am familiar with and have studied the files and records of Continental Oil Company to the extent that such relate to the matter being heard. That Continental Oil Company is one of the owners and is the operator of the spacing unit described as the N1/2 of Section 33, Township 140 North, Range 96 West, Stark County, North Da-That such spacing unit is within the outlines of the Dickinson-Heath Pool, and is further within the zone of such pool that is spaced on a 320-acre pattern pursuant to orders of the Industrial Commission of the State of North Dakota. That there are approximately fifteen (15) separate royalty owners under the said spacing unit and that only two of such royalty owners have executed a voluntary pooling agreement. That efforts have been made to obtain execution of a voluntary pooling agreement by the other royalty owners, but that such efforts have not been successful. There are separately owned tracts and separately owned interests within the said spacing unit.

It is therefore requested that the Industrial Commission issue its order pooling all interest in the said described spacing unit in accordance with the statutes of the State of North Dakota

Dated this 23rd day of January, 1968.

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January 16, 1968

Jan 1968

Mr. Ronald Kostelecky 316 East Kansas City Street Rapid City, South Dakota 57701

Dear Mr. Kostelecky:

This is in reply to your letter of January 15, 1968, relative to Case No. 888 to be heard for the Industrial Commission by a trial examiner at Grand Forks, North Dakota, on January 23, 1968.

Your statement in your letter that pooling of interest means all persons holding mineral rights in the No 33-140-96 will share in the production of the well located on that tract is correct. In this connection I am enclosing a copy of section 38-08-08 of the North Dakota Century Code which governs this matter. You will note the statute provides in part that upon the application of any interested person, the Commission "shall enter an order pooling all interests in the spacing unit for the development and operation thereof." This has previously been construed by the Commission to be mandatory, and when the conditions specified in the statute exist, the Commission has no choice but to enter the pooling order.

As I understand your situation, you question the 320 acre spacing which has been specified for the tract in question. As you are aware, this tract was spaced on 320 acres by Order 920, Case 848 of the Commission, issued on June 22, 1967. This order does, of course, supersede Order 609, Case 566 issued earlier. I note that Section 33 was not specifically included in Order 609, initially, and therefore this tract must have been included in the 160 acre spacing order by virtue of being adjacent to lands included within the order

and a well being drilled thereon. In any event, the spacing for this area is now 320 acres and the question of spacing is not properly before the Commission in Case 888 to be heard on January 23, 1968. I would also note, however, that the pooling order would be effective only so long as 320 acre spacing is specified for the tract in question. Should the spacing be reduced by subsequent action of the Commission, the pooling order would no longer be valid. If, of course, your father signed a pooling agreement, same might be valid regardless of the spacing in effect, dependent upon the terms of the agreement. As I recall, however, your father stated he refused to sign such a pooling agreement.

With respect to your submitting information to the trial examiner or the Commssion, the best method is to be present at the hearing or to have someone present at the hearing to represent your father. I realize that this is not always practical. In the past information has been submitted to the Commission by mail. However in such instance the opposing party may object to such information on the grounds they do not have the opportunity to cross examine the person presenting same. If such objection is not raised, the Commission does accept such information in most instances.

In summary, it would appear the real question in your mind is that of 320 acre spacing. As stated above, this is not before the Commission in Case 888. If the spacing in this area is to be reduced to 160 acres, it must be done by the Commission after proper application and hearing on same. I am in no position to second guess the Commission on this question and would not attempt to forecast what the possible result of such a hearing might be. It appears, however, that this would be the only procedure open to you.

I do not know if you have contacted an attorney in private practice relative to this matter. I believe I suggested same might be advisable when I spoke with you on December 22, 1967, since this office is not authorized by law to advise private individuals. I trust, however, that the above discussion will have answered the questions raised in your letter and will prove of interest to you.

. Yours very truly,

CWV:L cc-Dr. Wilson M. Laird Gerald W. VandeWalle Assistant Attorney General

316 East Kansas City Street Rapid City, South Dakota

January 15, 1968

Mr. Gerald W. Vandewalle Attorney General's Office State Capitol Building Bismarck, North Dakota

Dear Mr. Vandewalle:

As you may or may not remember, on Friday, December 22, 1967, my father and I had a discussion with you concerning the spacing of oil wells in the Dickinson field. The case and order numbers you referred me to proved to be very informative.

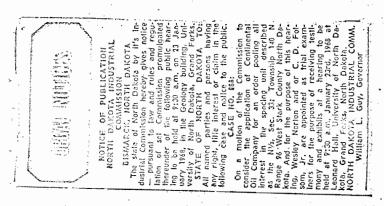
Since that time, a legal notice (copy enclosed) has appeared in the North Dakota newspapers concerning a forthcoming meeting of the Industrial Commission at Grand Forks on January 23, 1968. I would desire some aid in the interpretation of this notice and the reason for its purpose. What does pooling of interest mean? Does it mean that all persons holding mineral rights in N 1/2 -33-140-96 will get a share of the oil well located in NW 1/4 -33-140-96? Also, why is this being done in the first place? What is the reason for it? As I have contended before, the oil well in NW 1/4-33-140-96 should be on 160 acre spacing, and this is supported, in my view, by the Commission's Case No. 566, Order No. 609, wherein the limits of the Dickinson field are first set.

If my interpretation of pooling of interest is correct, then what recourse of action do I have as I am against this. My father owns the majority of the land in N 1/2-33-140-96, and is the sole owner of NW 1/4-33-140-96. I suspect that a ruling of the Commission would be rather difficult to change, or at least it would be a long drawn-out process and possibly expensive. The question I have is that if I have some facts I want the Commission to know, how do I go about in doing so. Time is rather short to prepare a legal brief, and distance also is a factor as I do not reside in North Dakota.

Any answers you can give to me on these questions and on the whole case in general will be greatly appreciated. It would also be appreciated if this were done at your earliest convenience as time is of the essence.

Sincerely yours.

Konald Kastelecky
Ronald Kostelecky



## BEFORE THE INDUSTRIAL COMMISSION

### STATE OF NORTH DAKOTA

IN THE MATTER OF THE APPLICATION)
OF CONTINENTAL OIL COMPANY FOR )
AN ORDER POOLING ALL INTEREST IN)
THE SPACING UNIT DESCRIBED AS )
THE N½, SECTION 33, TOWNSHIP 140)
NORTH, RANGE 96 WEST, STARK )
COUNTY, NORTH DAKOTA.

APPLICATION

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COMES NOW the Applicant, Continental Oil Company, 1755 Glenarm Place, Denver, Colorado, and respectfully alleges:

I.

That it is one of the owners and is the operator of the spacing unit described as the  $N^{\frac{1}{2}}$  of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota.

II.

That a well has been drilled in the  $SW_4^1NW_4^1$  of Section 33, Township 140 North, Range 96 West, and is producing oil in commercial quantities.

III.

That the  $N_2^1$  of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota, is located within the outlines of the Dickinson Heath Pool, and is within the zone spaced on a 320-acre pattern pursuant to orders of the Industrial Commission of the State of North Dakota.

IV.

That there are separately owned tracts and separately owned interests within the said spacing unit and that such are owned by separate persons.

V.

That a diligent effort has been made to obtain avoluntary pooling of all interests in the spacing unit, but that such voluntary pooling has not been obtained from all owners.

WHEREFORE this Applicant prays that the matter be set for hearing before the Industrial Commission of the State of North Dakota at its regular January meeting and that after hearing on the matter, the Commission issue its order pooling all interest in the spacing unit described as the  $N\frac{1}{2}$  of Section 33, Township 140 North, Range 96 West, Stark County, North Dakota, for the development and operation thereof, and for such other and further relief as the Commission may deem just and equitable.

FLECK, SMITH, MATHER, STRUTZ, MAYER & STEWART LAWYERS BISMARCK, NORTH DAKOTA

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# 9092

Dated this 13th day of December, 1967.

CONTINENTAL OIL COMPANY

FLECK, SMITH, MATHER, STRUTZ,
MAYER & STEWART
Attorneys for Continental Oil
Company
Suite 200, Professional Bldg.
Bismarck, North Dakota 58501

ERNEST R. FLECK

STATE OF NORTH DAKOTA )

(COUNTY OF BURLEIGH )

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Ernest R. Fleck, being first duly sworn on oath, deposes and says that he is one of the attorneys for the Applicant herein named; that he has read the above and foregoing application, knows the contents thereof and that the same is true to the best of his knowledge, information and belief.

Ernest R. Fleck

Subscribed and sworn to before methis 13th day of December, 1967.

(SEAL)

My Commission Expires: 4-9-71

Phyllis Porter, Notary Public

Burleigh County, North Dakota

## AFFIDAVIT OF PUBLICATION

STATE OF NORTH DAKOTA,		
County of Burleigh.		
says that she is a clerk of The Bismarck Tribune and that the		
annexed printed copy of		
Notice of Publication		
Continental Oil-Case #888, I. J. Wilhit was taken from The Bismarck Tribune, a daily newspaper, which during the whole time of publication of said notice hereinafter stated, has been, and was printed and published in the City of Bismarck, County of Burleigh, and State of North Dakota. That the said notice was published in said newspaper on the following	e-Case#889	
dates: 1/11/68		ì
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in each and every issue of the full number thereof, commencing	," "	1
on the 11th day of January 1968, and		
ending on the 11th day of January 1968, upon which days or times of publication aforesaid the said newspaper was regularly published.		
Ruck Miller		
Subscribed and sworm to before me this 12th day of		
January , A.D. 19 68		
1/1/ // fred land	Nysag <sub>as</sub>	
Notary Public, Burleigh County, N. D.		
My commission expires March 7, 197	2	
Cost of Publication, \$7.68		
JOHN EHRMANTRAUT,  Notary Public, BURLEIGH CO., N. DAK.  RMOJL-16 My Commission Expires MARCH 7,		
TIMOOT-TO MA COURTINGSTON PARTY		

NOTICE OF PUBLICATION
NORTH DAKOTA INDUSTRIAL

COMMISSION

Bismarck, North Dakota
The state of North Dakota by
its Industrial Commission precby
gives notice pursuant to law and
the rules and regulations of said
commission promulgated thereunder of the following numlic
hearing to be held at 9:30 a.m.
on 23 January 1988 in the geology
building, University of North Dakota, Grand Forks, North Dakota,
STATE OF NORTH DAKOTA TO:
All named parties and persons
having any right, title, interest or
claim in the following cases and
notice to the public.

CASE NO. 888: On a motion of
the commission to consider the
application of Continental Oil
Company for an order pooling all
interest in the spacing unit described as the N½, Section 33,
Township 140N, Range 36W,
Stark County, North Dakota,
CASE NO. 889: On a motion of the
commission to consider the application of I. J. Wilhite for an
order pooling all interest in a
well spacing unit in the North
Haas field in Bottineau County,
North Dakota (NW ½ of Section 22,
Township 163N, Range 82W) and
for the purposes of this hearing,
Wesley Norton and/or C. B.
Folsom, Jr. are appointed as trial
examiners for the purpose of receiving testimony and exhibits
at a hearing to be held at 9:30
a.m. January 23, 1988 at Leonhard
Hall, University of North Dakota,
Grand Forks, North Dakota,
NORTH DAKOTA
INDUSTRIAL COMMISSION
William L. Guy, Governor
1/11/68

## LEGAL NOTICES

NOTICE OF PUBLICATION
NORTH DAKOTA INDUSTRIAL
COMMISSION

\*\*SMARCK, NORTH DAKOTA
The state of North Dakota by it's incurvation of the Commission bereby, gives notice
porsulation by and rules and regulation of set Commission promulgated thereunder of the following public hearing to be held at 9:30 s.m. on 23 January 1968, in the Geology building, University of North Dakota, Grand Forks.

\*\*STATE OF NORTH BAKOTA TO.
All named parties and persons having any right, fille interest or Claim in the following case and notice to the public.

CASE NO. \*\*BELLE OF THE COMMISSION OF THE COMMISSION OF THE PROPERTY OF THE PROPERT

## CERTIFICATE OF PUBLICATION

THE DICKINSON PRESS Dickinson, North Dakota

STATE OF NORTH DAKOTA,
County of Stark.
Caul Blasser, of said state and county, being first duly
sworn, on oath says: That She is the brokkerse of the Dickinson Press, Inc., publisher of THE DICKINSON PRESS, a daily newspaper of general circulation, printed and published at Dickinson, in said county and state, and has been such during the time hereinafter
mentioned; and that advertisement headed Motice of
Publication
a printed copy of which is hereunto annexed, was printed and published in THE DICKINSON PRESS, and in the regular and entire issue of each and every number consecutive weeks, commencing on the day of January A. D. 1967, and ending on the day of January A. D., 1960, both inclusive
Sworn to and subscribed to before me this day of  A. D. 19.6.7.  Ed J. Hauck  Notary Public, Stark County, N. Dak.  My Commission Expires June 7, 1973  State Printer

## LEGAL NOTICES

NOTICE OF PUBLICATION
NORTH DAKOTA INDUSTRIAL
COMMISSION
BISMARCK, NORTH DAKOTA
The state of North Dakota by it's inclustrial Commission fersby gives notice—
pursuant to law and rules and regulation of set Commission promugated inferender of the following public hearing to be held at 9:30 a.m. on 23 January 1968, in the Geology building, University of North Dakota, Grand Forks.
STATE OF NORTH DAKOTA TO.
All named parties and persons having any right, fille interest or claim in the following case and notice to the public.
CASE NS. 838:
On a inotion of the Commission to tensider the application of Continental Oil Company, for an erder beoling all interest in the spacing, unit described as the NY2. Sec. 33; Tewnship 160 N Range 96 West Stark County North Dakota, and for the gurpose of this hearing. Wesley Northon and or C. D. Folsom, Jr. are appeared as frial examiners for the purpose of receiving testiment of the purpose of the public of the

HAROLD NELSON

State Printer

## CERTIFICATE OF PUBLICATION

THE DICKINSON PRESS Dickinson, North Dakota

STATE OF NORTH DAKOTA, \		
County of Stark.  Canol S. Slasses, of said state and county, being first duly		
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sworn, on oath says: That the is the Dookkeeper of the		
Dickinson Press, Inc., publisher of THE DICKINSON PRESS, a daily newspaper of general circulation, printed and published at Dickinson,		
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day of Amuary A. D. 1968, and ending on the day of Amuary A. D., 1968, both inclusive.		
Carof S. Slasser		
Smorn to and subscribed to before me this 22 day of		
A. D. 1962.		
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Ed J. Hauck Notary Public, Stark County, N. Dak.

My Commission Expires June 7, 1973