#### 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 LONE STAR PRODUCING COMPANY AND HILLARD OIL & GAS COMPANY FOR AN ORDER PERMITTING A WELL TO BE DRILLED IN THE NE/4 OF SECTION 6, TOWNSHIP 139 NORTH, RANGE 96 WEST, STARK COUNTY, NORTH DAKOTA, AS AN EXCEPTION TO THE SPACING REQUIREMENTS FOR THE DICKINSON FIELD.

CASE NO. 1270 ORDER NO. 1369

#### ORDER OF THE COMMISSION

#### BY THE COMMISSION:

Pursuant to legal notice this cause came on for hearing at 9:30 a.m. on the 12th day of August, 1975, at Bismarck, North Dakota, before the Industrial Commission of the State of North Dakota, hereinafter referred to as the "Commission."

NOW, on this Atlanton, 1975, the Commission, a quorum being present, having considered the testimony adduced 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 application and the subject matter thereof.
- (2) That the applicant is the owner of a leasehold interest in the NE/4 of Section 6, Township 139 North, Range 96 West, Stark County, North Dakota, and that said tract of land is adjacent to and forms a spacing unit for the Dickinson-Heath Pool.
- (3) That Commission Order No. 609 established 160-acre spacing in Zone I of the Dickinson-Heath Pool with wells to be located in the SW/4 of each quarter section.
- (4) That expert witnesses for the Dickinson-Heath Sand Unit presented exhibits and testified in Case No. 1095 that the Dickinson-Heath Pool did not extend into Section 6, Township 139 North, Range 96 West, Stark County, North Dakota.
- (5) That the applicant presented evidence which indicated that there might be recoverable oil in the NE/4 of said Section 6; however, a well drilled at the proper location would not produce oil in commercial quantities.
- (6) That in order to determine whether or not there is recoverable oil in commercial quantities in the NE/4 of Section 6, Township 139 North, Range 96 West, a well should be drilled in the NE NE of said section.

(7) That a well drilled at said location would recover valuable natural resources that might otherwise not be recovered, and that such well would be in the interest of conservation and protective of correlative rights.

#### IT IS THEREFORE ORDERED:

- (1) That the applicant, be and the same, is hereby granted permission to drill a well in the approximate center of the NE NE of Section 6, Township 139 North, Range 96 West, Stark County, North Dakota, as an exception to the spacing pattern for the Dickinson-Heath Pool.
- (2) That this order shall remain in full force and effect until further order of the Commission.

DONE, at Bismarck, North Dakota, this 9th day of Jesternet, 1975.

THE NORTH DAKOTA INDUSTRIAL COMMISSION

Arthur A. Link, Governor

Allen I. Olson, Attorney General

Myron Just, Commissioner of Agriculture



W. C. Blackburn

Manager

Production Department

Casper Division

Western Hemisphere Petroleum Division

Continental Oil Company 152 North Durbin Pacific Western Life Building Casper, Wyoming 82601 (307) 234-7311

August 6, 1975

North Dakota Industrial Commission University Station Grand Forks, North Dakota 58201

Attention Dr. E. A. Noble State Geologist

Centlemen:

Re: Application of Hilliard Oil and Gas, Inc.
Dickinson Field
Stark County, North Dakota
Case No. 1270
File: SP-414-CF

The subject case will consider the application of Hilliard Oil and Gas, Inc. for an exception location for a Tyler test well near the South boundary of the Dickinson Heath Sand Unit. The location that has been reported to Continental Oil Company is 560' FNL, 560' FNL, Section 6, T139N, R96W, Stark County, North Dakota.

Continental Oil Company, as operator of the Dickinson Heath Sand Unit, opposes the proposed off-pattern location as we do not believe that a well at that location would protect the correlative rights of all owners. The North Dakota Industrial Commission entered Order No. 1224 on July 10, 1973 in which paragraph 3 states "That all wells drilled within one and one-half miles of the boundary of the Dickinson Field are herein defined, shall conform to the spacing pattern and drilling units established in the adjacent field area." The adjacent area of the Dickinson field to the proposed Hilliard location is spaced on 160 acres with the permitted locations in the approximate center of the southwest quarter-quarter sections.

The on-pattern location for a well in the NE/4 of Section 6 is 1980' FEL and 1980' FNL. In the absence of definite information such as a dry hole at the approved spacing location, any information submitted to the Commission on the South boundary of the field in Section 6 is purely conjectural. Similar conjectural information could be produced in similar instances and if accepted as evidence by the Commission at other hearings, such information could effectively destroy approved well spacing patterns in North Dakota oil and gas fields.

AUG 1975

AUG 1975

N. Dak, Geological

Survey

Survey

Survey

(ASF) #1270 North Dakota Industrial Commission Page Two August 6, 1975

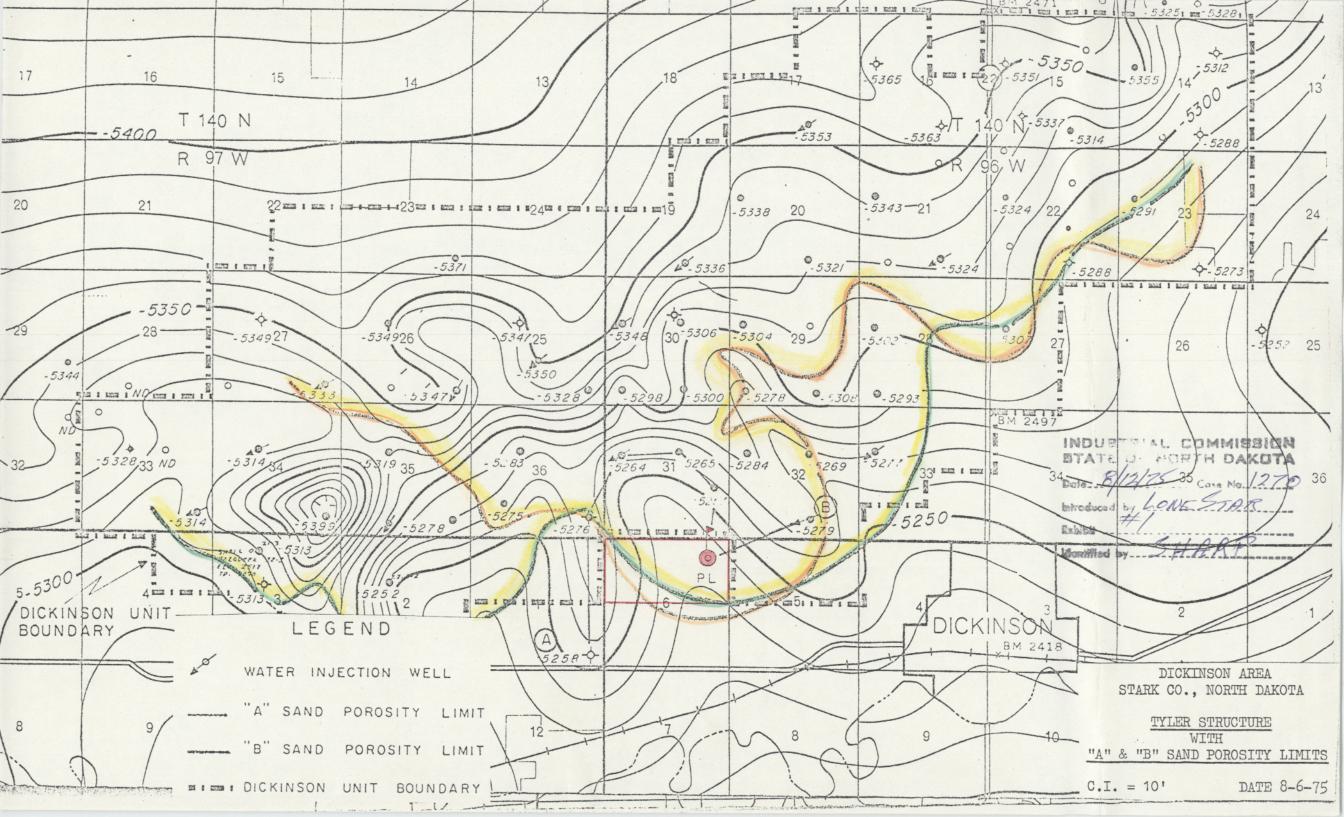
maco Blacklown.

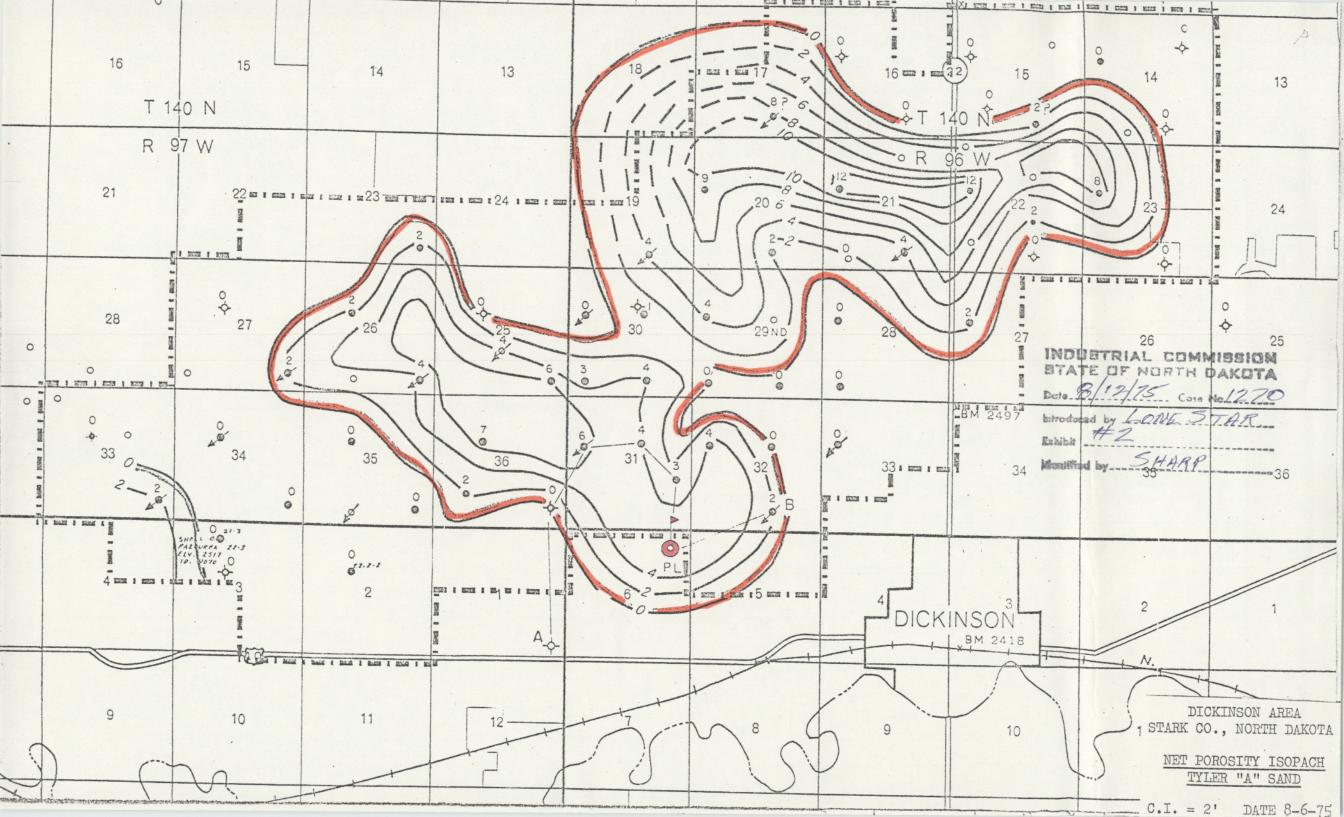
For this reason, Continental Oil Company, as operator of the Dickinson Heath Sand Unit recommends that the North Dakota Industrial Commission disapprove the application for exception location in the NE/4 of Section 6, T139N, R96W.

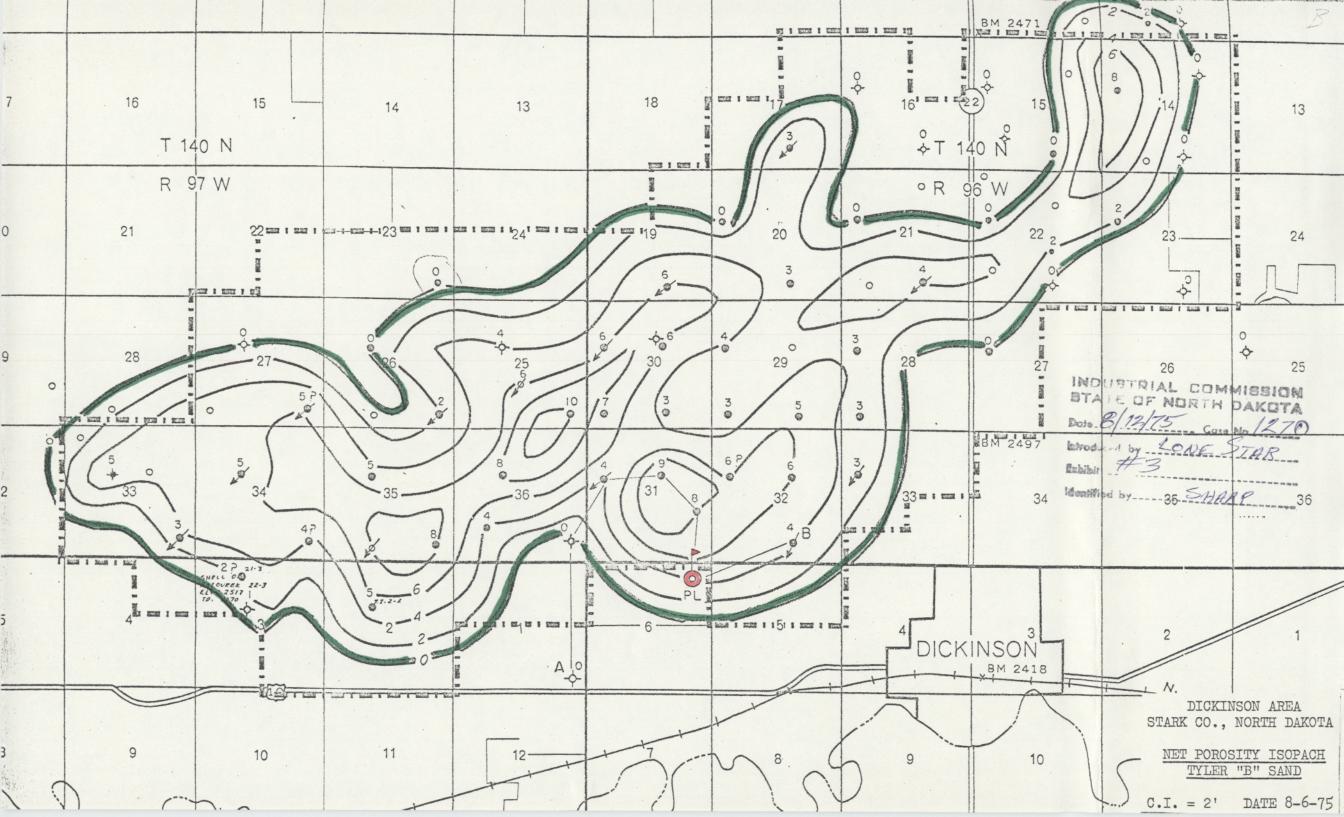
Yours very truly,

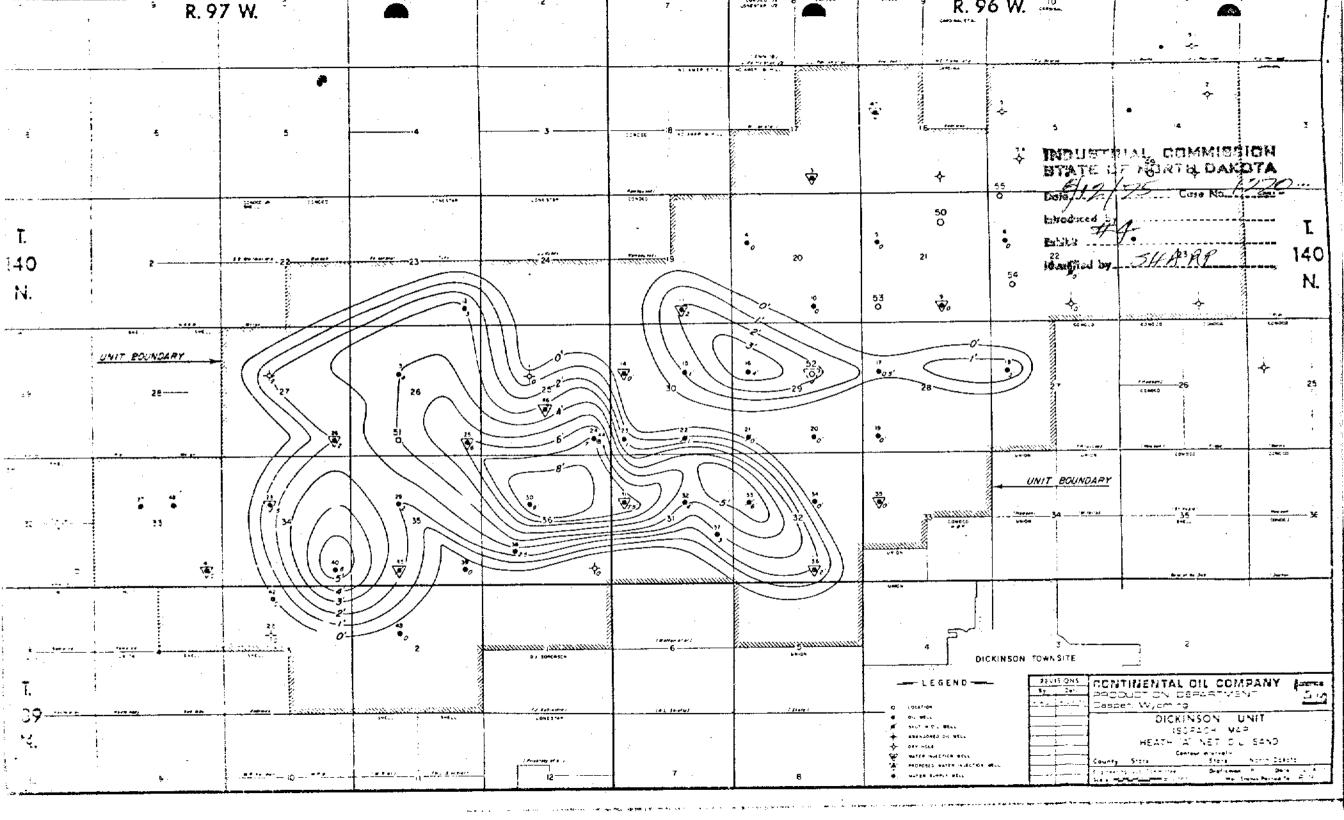
ar

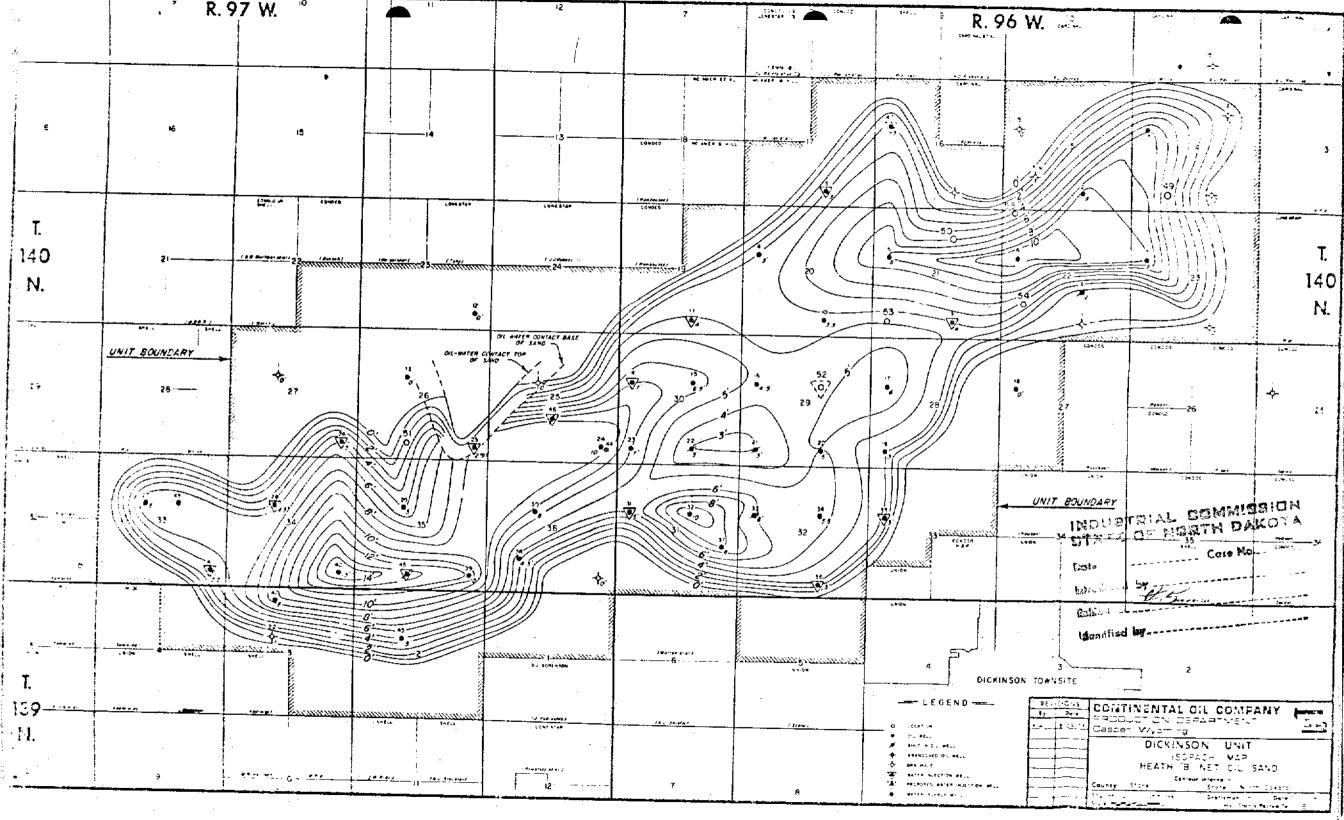
cc: CMT

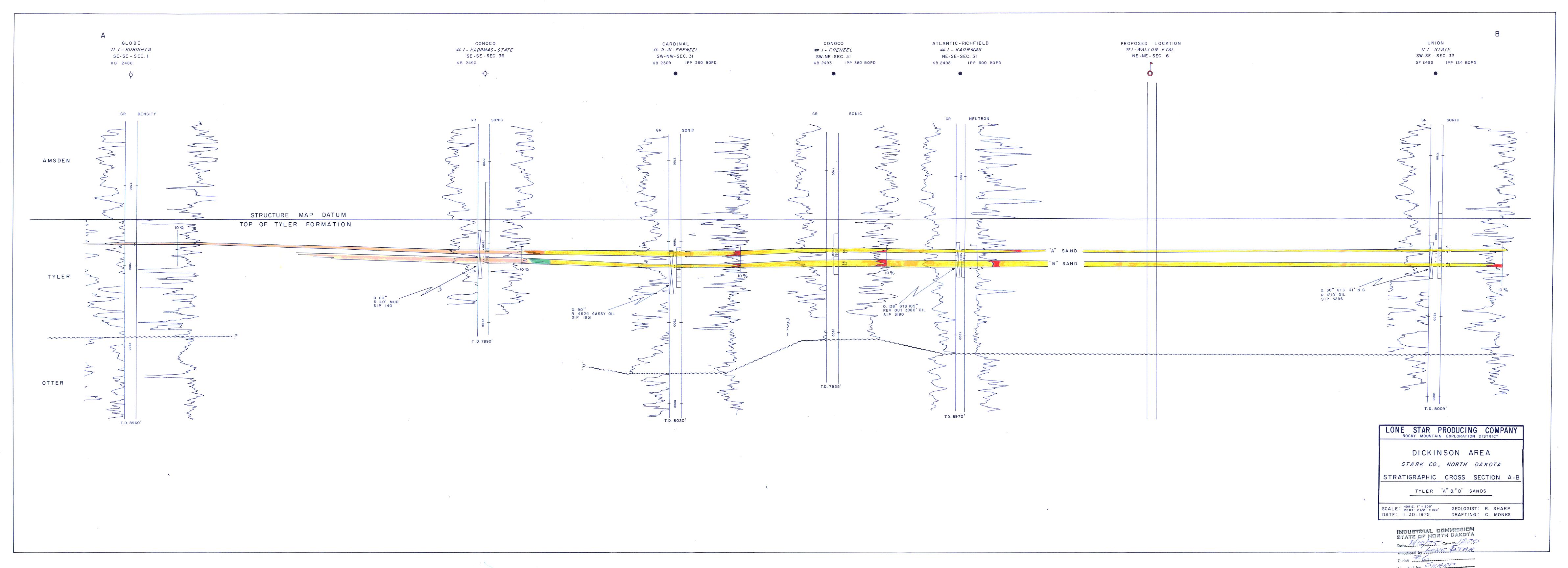












# BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA

)

)

)

)

)

IN THE MATTER OF THE APPLICATION OF LONE STAR PRODUCING CO. AND HILLARD OIL & GAS CO. FOR AN ORDER PERMITTING THE DRILLING OF A WELL AS AN EXCEPTION TO THE SPACING PATTERN IN THE DICKINSON HEATH POOL AT A LOCATION IN THE NE% OF SECTION 6, TOWNSHIP 139 NORTH, RANGE 96 WEST, STARK COUNTY, NORTH DAKOTA, 660' FROM THE NORTH LINE OF SAID SECTION AND 660' FROM THE EAST LINE OF SAID SECTION.

К

6

7

8

9

10

11

12

13

14

16

17

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

APPLICATION

\*\*\*

\*\*\*\*\*

\*\*\*

COMES NOW the Applicants, Lone Star Producing Co. and Hillard Oil & Gas Co., and respectfully allege:

I.

That Lone Star Producing Co. is the owner of the oil and gas leasehold estate on the lands involved in this application, and that Hillard Oil & Gas Co. contemplates the drilling of a test well in the NE% of Section 6, Township 139 North, Range 96 West.

II.

That a well drilled on the prescribed spacing pattern would in all probability not be productive of oil or gas.

III.

That applicants believe that there is oil underlying at least a portion of the spacing unit involved, and that in order to recover such oil, a well must be drilled as an exception to the spacing pattern and at a location in the NE% of Section 6, Township 139 North, Range 96 West, described as 660' from the north line of said section and 660' from the east line of said section.

WHEREFORE these applicants pray that the matter be set for hearing and that the Commission issue its Order permitting the drilling of such a well as an exception to the spacing pattern.

- 1 -

Dated this 18th day of July, 1975.

LONE STAR PRODUCING CO. and HILLARD OIL & GAS CO.

FLECK, MATHER, STRUTZ & MAYER, Ltd. Attorneys for the Applicants Suite 200, Professional Building Bismarck, Worth Dakota 58501

Ву

THOMAS A. MAYER

STATE OF NORTH DAKOTA )

, ss.
COUNTY OF BURLEIGH )

THOMAS A. MAYER, being first duly sworn on oath, deposes and says that he is the attorney for the applicants herein named, that he has read the above and foregoing application, knows the contents thereof and the same is within the knowledge of the affiant, and that the same is true to the best of his knowledge, information and belief.

THOMAS A. MAYER

Subscribed and sworn to before me this 18th day of July, 1975.

SEAL

Carol Sotberg, Notary Public Burleigh County, North Dakota My Commission Expires: 6/25/81 4 20 Ju

### CERTIFICATE OF PUBLICATION

THE DICKINSON PRESS Dickinson, North Dakota

## STATE OF NORTH DAKOTA,

County of Stark.

K	aren Jewell	, of said state and county, being first duly
Dickinson newspaper	Press, Inc., p	at she is the Bookkeeper of the bublisher of THE DICKINSON PRESS, a daily circulation, printed and published at Dickinson e, and has been such during the time hereinafter
mentioned	; and that adv	ertisement headed Notice Of Publication ND
Industri	al Commissi	on Bismarck, ND
THE DICE	CINSON PRE	is hereunto annexed, was printed and published in SS, and in the regular and entire issue of each and consecutive weeks, commencing on the 29.
		Compositive weeks, comments
	July	A. D. 101.2, and chang on
day of	July	A. D., 19 <sup>75</sup> , both inclusive.
		kurengewill

Sworn to and subscribed to before me this A. D. 19 75.

day of

ED J. HAUCK

Notary Public, STARK COUNTY, N. DAK. My Commission Expires JUNE 7, 1979

NOTICE OF PUBLICATION
N. D. INDUSTRIAL COMMISSION
BISMARCK, NORTH DAKOTA
The State of North Dakota by its Industrial Commission hereby gives notice pursuant to law and the rules and regulations of said Commission promulgated thereunder of the following public hearing to be held at 1:30 p.m. on 12 August 1975 in the Large Hearing Room, State Capitol Building, Bismarck, North Dakota.

Dakota.

STATE OF NORTH DAKOTA TO:
All named parties and persons having any right, title, interest or claim in the following case and notice to the public.
CASE NO. 1270: On a motion of the Commission to consider the application of Lone Star Producing Company and Hillard Oil & Gas Company for an order permitting a well to be drilled in the NE.4 of Section 6, T. 139N., R. 96W., Stark County, North Dakota, as an exception to the spacing requirements for the Dickinson Field.

N. D. INDUSTRIAL

N. D. INDUSTRIAL COMMISSION Arthur A. Link, Governor (Published July 29, 1975)