BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 8066 (CONTINUED) ORDER NO. 9560

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE TEMPORARY OR PROPER SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL DISCOVERED BY THE LYCO ENERGY CORPORATION #25-2 PLUMER-LUNDQUIST WELL, LOCATED IN THE NW/4 NE/4 OF SECTION 25, T.161N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, DEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 22nd day of October, 2003.
- (2) Geological and engineering evidence presented to the Commission relative to the matter of well spacing indicates that the Burg-Red River Pool, as classified and defined in this order, should be developed on a pattern of one well per 320 acres for the effective and efficient recovery of oil from said pool, to assure rapid development, to avoid the drilling of unnecessary wells, and to prevent waste in a manner that will protect correlative rights.
- (3) Proper 320-acre spacing in the Burg-Red River Pool will result in the efficient and economical development of the field as a whole and will operate so as to prevent waste and provide maximum ultimate recovery, will avoid the drilling of unnecessary wells, and will protect correlative rights.
- (4) The unrestricted flaring of gas produced from the Burg-Red River Pool could be considered waste, and in order to minimize such, production from the pool should be restricted until the wells producing therefrom are connected to a gas gathering and processing facility.
- (5) Certain special field rules are necessary to prevent waste and protect against the contamination and pollution of surface lands and fresh waters.

Case No. 8066 (Continued) Order No. 9560

IT IS THEREFORE ORDERED:

(1) The Burg Field is hereby redefined as the following described tracts of land in Divide County, North Dakota:

TOWNSHIP 161 NORTH, RANGE 99 WEST, 5TH PM THE SE/4 OF SECTION 24 AND THE NE/4 OF SECTION 25,

together with those additional quarter sections or governmental lots corresponding thereto as may be proven productive by wells drilled on lands within one mile of the boundaries of the field as set forth above, provided further that such extensions of the field boundaries shall include only sufficient acreage to form a spacing unit for such wells, and any intervening lands.

- (2) The Burg-Red River Pool is hereby defined as that accumulation of oil and gas found in the interval from below the base of the Stony Mountain Formation to above the top of the Winnipeg Formation within the limits of the field as set forth above.
- (3) The proper spacing for the development of the Burg-Red River Pool is hereby set at one well per 320 acres.
- (4) All wells hereafter drilled to the Burg-Red River Pool shall be located not less than 660 feet from a spacing unit boundary. Wells presently permitted to or producing from the pool that do not conform to this spacing pattern shall be considered exceptions.
- (5) The SE/4 of Section 24 and the NE/4 of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, is designated a 320-acre spacing unit in the Burg-Red River Pool.
- (6) All other spacing units in the Burg-Red River Pool shall consist of two adjacent quarter sections, or governmental lots corresponding thereto within the same section. The configuration of spacing units, either standup or laydown, shall be determined by the location of the first well in the section, such that the aforesaid well will be nearest to the center of the spacing unit. Spacing units for wells being equi-distant from the center of each spacing unit shall be designated by the operator; however, the Commission shall have continuing jurisdiction, and in the event that spacing units hereafter formed by this policy do not coincide with the geological and physical nature of the reservoir, the Commission may alter specific spacing units upon application by any interested party, after due notice and hearing.
- (7) No well hereafter shall be drilled in the Burg-Red River Pool except in conformity with the regulations above without special order of the Commission after due notice and hearing.
- (8) The following rules concerning the casing, tubing and equipping of wells shall apply to the subsequent drilling and operation of wells in the Burg-Red River Pool:
 - (a) The surface casing shall consist of new or reconditioned pipe that has been previously tested to 1000 pounds per square inch. The casing shall be set and cemented at a point not less than 50 feet below the base of the Fox Hills Formation. Sufficient cement shall be used to fill the annular space outside

Case No. 8066 (Continued) Order No. 9560

the pipe to the surface of the ground, or the bottom of the cellar, and sufficient scratchers and centralizers shall be used to assure a good cement job. Cement shall be allowed to stand a minimum of 12 hours before drilling the plug or initiating tests. The quality of cement shall conform to the standards provided under North Dakota Administrative Code (NDAC) Section 43-02-03-21;

- (b) The producing or oil string shall consist of new or reconditioned pipe that has been previously tested to 2000 pounds per square inch. Casing shall be set and cemented at a point not higher than the top of the producing formation, or at a point approved by the Director. Sufficient cement shall be used and applied in such a manner as to protect and isolate all formations containing oil and/or gas, protect the pipe through salt sections encountered, and isolate the Dakota-Lakota Series. The cement shall be allowed to stand a minimum of 15 hours before drilling the plug or initiating tests. The quality of cement shall conform to the standards provided under NDAC Section 43-02-03-21. After cementing, the casing shall be tested by application of pump pressure of at least 2000 pounds per square inch. If, at the end of 30 minutes this pressure has dropped 150 pounds per square inch or more, the casing shall be repaired. Thereafter, the casing shall again be tested in the same manner. Further work shall not proceed until a satisfactory test has been obtained;
- (c) All well-head fittings and connections shall have a working pressure in excess of that to which they are expected to be subjected; and,
- (d) All wells shall be equipped with tubing and all flowing wells shall be equipped with tubing and tubing packer; all tubing shall be of sufficient internal diameter to allow the passage of a bottom hole pressure gauge for the purpose of obtaining bottom hole pressure measurements.
- (9) The gas-oil ratio of all wells not connected to a gas gathering system shall be measured annually during the month of May. The reservoir pressure shall be measured within 45 days in all wells hereinafter completed in the Burg-Red River Pool. Drill stem test pressures are acceptable for determining reservoir pressure. Pressure measurements shall be made at or adjusted to a subsea datum of 9410 feet after the well has been shut in for a minimum of 48 hours. All gas-oil ratio and reservoir pressure determinations shall be made by methods approved by the Director and reported to the Director within 15 days following the end of the month in which they are determined. The Director is authorized to waive these requirements if the necessity therefor can be demonstrated to his satisfaction. All additional gas-oil ratio and reservoir pressure determinations conducted on any well, but not specifically required herein, shall be reported to the Director within 15 days following the end of the month in which they are determined.
- (10) No salt water, drilling mud, crude oil, or waste oil shall be stored in pits in this field, except in an emergency, and approved by the Director.
- (11) All wells in the Burg-Red River Pool shall be allowed to produce at an unrestricted rate for a period of 60 days commencing on the first day oil is produced through well-head equipment into tanks from the ultimate producing interval after casing has been run; after that, oil production from such wells shall not exceed an average of 200 barrels per day for a period of

Case No. 8066 (Continued) Order No. 9560

60 days; after that, oil production from such wells shall not exceed an average of 150 barrels per day for a period of 60 days, thereafter, oil production from such wells shall not exceed an average of 100 barrels of oil per day; if and when such wells are connected to a gas gathering and processing facility the foregoing restrictions shall be removed, and the wells shall be allowed to produce at a maximum efficient rate.

- (12) If the flaring of gas produced with crude oil from the Burg-Red River Pool causes, or threatens to cause, degradation of ambient air quality, production from the pool shall be further restricted.
- (13) This order shall cover all of the Burg-Red River Pool common source of supply of crude oil and/or natural gas as herein defined, and shall continue in full force and effect until further order of the Commission or until the last well in the pool has been plugged and abandoned.

Dated this 18th day of November, 2003.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

/s/ John Hoeven, Governor

/s/ Wayne Stenehjem, Attorney General

/s/ Roger Johnson, Agriculture Commissioner

COUNTY OF BURLEIGH

I, Donna Bauer, being duly sworn upon oath, depose and say: That on the 20th of November, 2003 enclosed in separate envelopes true and correct copies of the attached Order No. 9560 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 8066:

John Morrison Fleck, Mather & Strutz Ltd. P. O. Box 2798 Bismarck, ND 58502

Lawrence Bender Pearce & Durick P. O. Box 400 Bismarck, ND 58502

Roger Borchert P. O. Box 5006 Bismarck, ND 58502

Joe E. Small 7710 Arborside Drive Dallas TX 75231-3906

John Lee Attorney at Law P. O. Box 2529 Billings, MT 59103

Johna Bauer
Oil & Gas Division

On this <u>20th</u> day of <u>November, 2003</u>, before me personally appeared <u>Donna Bauer</u> to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Notary Public

State of ND, County of Burleigh My Commission expires 9-21-2005

NORTH DAKOTA INDUSTRIAL COMMISSION HEARING

OCTOBER 22, 2003

CASE NO. 8066 PERMANENT SPACING REQUEST PLUMER-LUNDQUIST #25-2 WELL

PLUMER-RED RIVER POOL NE/4 OF SECTION 25 & SE/4 OF SECTION 24 T161N-R99W DIVIDE COUNTY, NORTH DAKOTA

LYCO OPERATING COMPANY
6688 NORTH CENTRAL EXPRESSWAY
SUITE 1600
DALLAS, TEXAS 75206-3927

EXHIBIT I

BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE MOTION OF THE COMMISSION TO CONSIDER THE PROPER SPACING FOR THE DEVELOPMENT OF THE BURG-RED RIVER POOL, COMPRISED OF THE SE/4 OF SECTION 24, AND THE NE/4 OF SECTION 25, TOWNSHIP 161 NORTH, RANGE 99 WEST, 5TH P.M., DIVIDE COUNTY, NORTH DAKOTA, REDEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY AND/OR ADVISEABLE.

CASE NO. 8066

AFFIDAVIT OF JOE E. SMALL

LYCO ENERGY CORPORATION, 6688 North Central	Expressway, Suite 10	600, Dallas, Texas	75206-3927:
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State of Texas) : ss.
County of Dallas)

Joe E. Small, being first duly sworn, deposes and states:

- 1. I am a Consulting Landman for Lyco Energy Corporation, and reside in Dallas, Texas. I have not previously testified before the North Dakota Industrial Commission, although I have been qualified as an expert in the field of Petroleum Land Management in the States of Oklahoma and New Mexico. For purposes of having my qualifications as an expert in the field of Petroleum Land Management accepted by this Board, attached hereto as Exhibit "I-A" is a resume of my work history and education.
- 2. Exhibit "A-I" (copy attached) as contained in the Exhibit Packet for Case No. 8066 was prepared under my direction and is true and correct to the best of my knowledge and belief.
- 3. Exhibit "A-II" (copy attached) as contained in the Exhibit Packet for Case No. 8066 was prepared from detailed mineral and leasehold information from internal records of Lyco Energy Corporation and the records of Divide County, North Dakota, by landmen under my direction. Mineral interest and leasehold ownership within the SE/4 of Section 24 and the NE/4 of Section 25, Township 161 North, Range 99 West, 5th P.M., Divide County, North Dakota, are set out in this Exhibit. As indicated on Exhibit "A-I", the ownership within the proposed proper spacing unit is not common.

4. Further the affiant sayeth not.

Joe E. Small Consulting Landman

Subscribed and sworn to before me this 15th day of October, 2001.

Subscribed and sworn to before me this 15 day of October, 20

INDUSTRIAL COMMISS

JANET TRENT EAST
Notary Public, State of Texas
My Commission Expires 03-26-07

Notary Public for the State of Texas
Residing at Carrollton, Texas

Residing at Carrollton, Texas

My Commission expires HARCh 96, 3007

STATE OF MORTH DAKOTA

DATE/0/22/03CASE NO. _______

'dantified By <u>Acce</u>

Exhibit "I-A"

JOE E. SMALL, CPL 7710 ARBORSIDE DRIVE DALLAS, TEXAS 75231-3906 Cell (214) 460-6341 214/340-3278

QUALIFICATIONS

Earned status of Certified Professional Landman in February 1983. Twenty-five years of achievement in Land Management including all aspects of land work, lease records, well trades, public drilling funds, acquisitions, and financial reporting.

BUSINESS EXPERIENCE

INDEPENDENT LANDMAN

2001 to present

Have worked for various clients performing due diligence, lease buying, and in-house contract work.

REDSTONE OIL & GAS COMPANY, Dallas, Texas 1993 to 2000

Vice President of Land of privately held oil and gas exploration and production company. This company is involved with generating and developing eight to ten drilling prospects per year. Duties included all phases the drilling prospects through production. Successfully undertook the due diligence and verification of record title for \$4 to \$5 million of acquisitions per year. Responsible for the negotiation of all exploration contracts, farmins and farmouts, operating agreements, fee mineral trades and leases. Responsible for the direct acquisition of leases as well as the hiring and supervision of brokers. Have responsibility for the maintenance of all the leases, contracts and other land related records.

THE GRAYROCK CORPORATION, Dallas, Texas 1979 to 1993

Land Manager of privately held oil and gas exploration and asset management company. Responsible for the negotiation of all exploration contracts, farmins and farmouts, operating agreements, fee mineral trades and leases. Assist in the budgeting process as it relates to the exploration phase of the business. Previously managed two conversions of the Lease Records systems for more efficient automation. Evaluated outside generated prospects and made recommendations to management; negotiated, prepared and approved a wide range of contracts necessary for the drilling and development of those prospects; and have solve responsibility for the maintenance of all the leases, contracts and other and related records.

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Resume of Joe E. Small Page 2

Responsible for the direct acquisition of leases as well as the hiring and supervision of brokers.

TRITON OIL & GAS CORP., Dallas, Texas

1977 to 1979

Served as Staff Landman with heavy experience in lease acquisitions. Responsible for supervising and coordinating brokers, establishing and maintaining lease records. Negotiated and prepared all types of exploration agreements from the beginning of a prospect to conclusion.

PERSONAL AFFILIATIONS

Certified Professional Landman, Certificate No. 3127 American Association of Petroleum Landmen Dallas Association of Petroleum Landmen

- * Member of the Board of Directors, 1993 to 1995 and 2003 to present
- * Member of the Education Committee, 1989

Texas Real Estate Broker, License No. 248061

EDUCATION

Texas Tech University, Lubbock, Texas

- *Bachelor of Business Administration, 1975
- *Dean's List, 1971-1975
- *John and Pauline Hughes Scholarship Award

Monterey High School, Lubbock, Texas

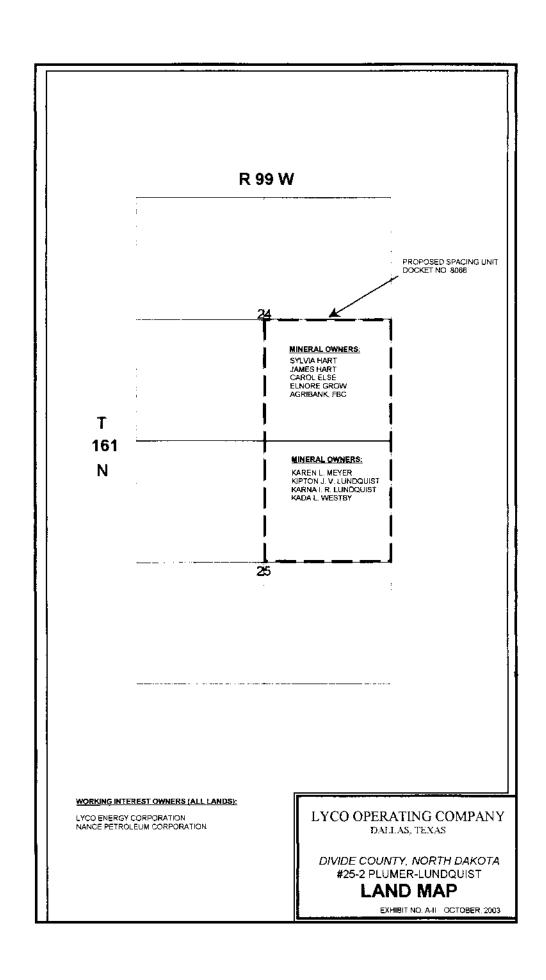


EXHIBIT "A-II"

CASE # 8066

Lyco Energy Corporation
Ownership Summary
Plumer Lundquist # 25-2 well
SE/4 Section 24 & NE/4 Section 25-T161N-R99W
Divide County, North Dakota

LEASE OWNERS (NE/4 SEC. 25 & SE/4 SEC. 24):

Lyco Energy Corporation
 North Central Expressway
 Suite 1600
 Dallas, TX 75206-3927
 Attn: Mr. Robert G. Moore, Jr.

 Nance Petroleum Corporation 550 N. 31st Street, Suite 500 Billings, Montana 59101 Attn: Mr. Ron Santi

MINERAL OWNERS (SE/4 SEC. 24):

- Clara Mattson, a Life Estate 1124 Minuteman Street Billings, Montana 59105
- Sylvia Hart
 130 El Portal Drive
 Merced, California 95340-0929
- James Hart
 12505 Andy Street
 Cerritos, California 90703
- Carol Else, aka Carole Else
 9702 Veterans Drive
 Lakewood, Washington 98498-1151

5.	Elnore Grow, aka Elnore Hendrikson, aka Eleanore Hendrikson
	17394 Jurassic Road
	Morrison, Colorado 80465

STATE OF N

DATE/O/22/03

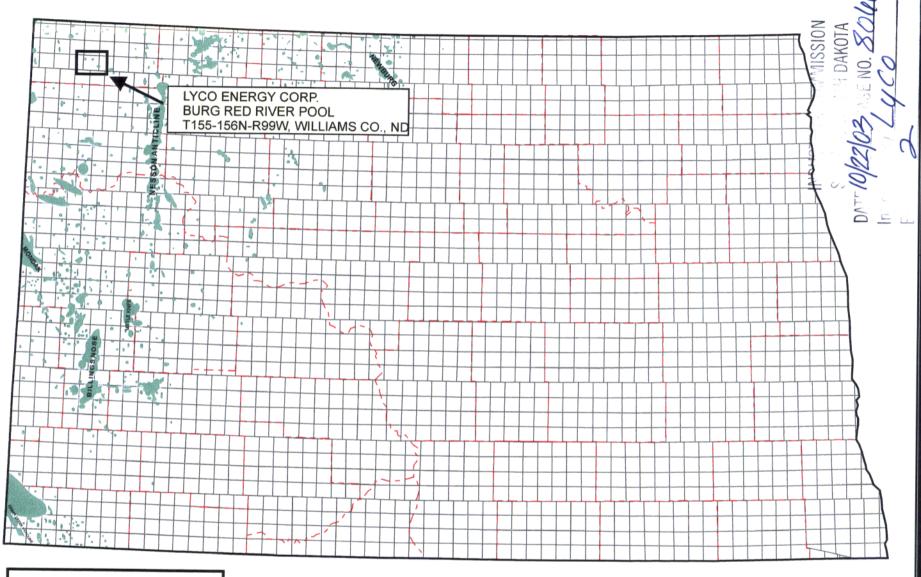
Introduced By LyCo

Exhibit_______
Identified E Rogr Barchyr

Agribank, FCB
 375 Jackson Street
 Box 64949
 St. Paul, Minnesota 55164-0949

MINERAL OWNERS (NE/4 SEC25):

- Karen L. Meyer, fka Karen L. Nordstrom 18406 Revere Avenue South Prior Lake, Minnesota 55372
- 2. Kipton J.V. Lundquist 4805 Sunnyside Road Edina, Minnesota 55424
- 3. Karna I.R. Lundquist 6908 Ridgeview Drive Edina, Minnesota 55438
- 4. Kada L. Westby, fka Kada I.M. Lundquist 3208 Skyview Drive Burnsville, Minnesota 55337



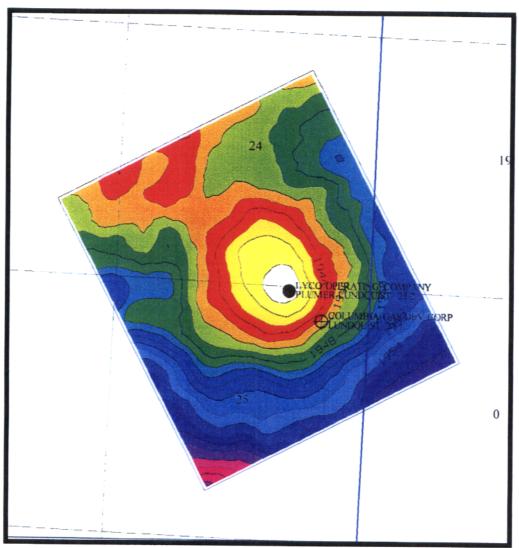
LYCO ENERGY CORPORATION

ORIENTATION MAP

JOHNSON & BORCHERT CONSULTING GEOLOGISTS HARRIS, BROWN, & KLEMER, INC. BISMARCK, ND

EXHIBIT # 2

OIL and GAS PRODUCTION
OF
NORTH DAKOTA





ONE MILE

STATE OF NORTH DAS A

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LYCO ENERGY CORPORATION

EXHIBIT #3

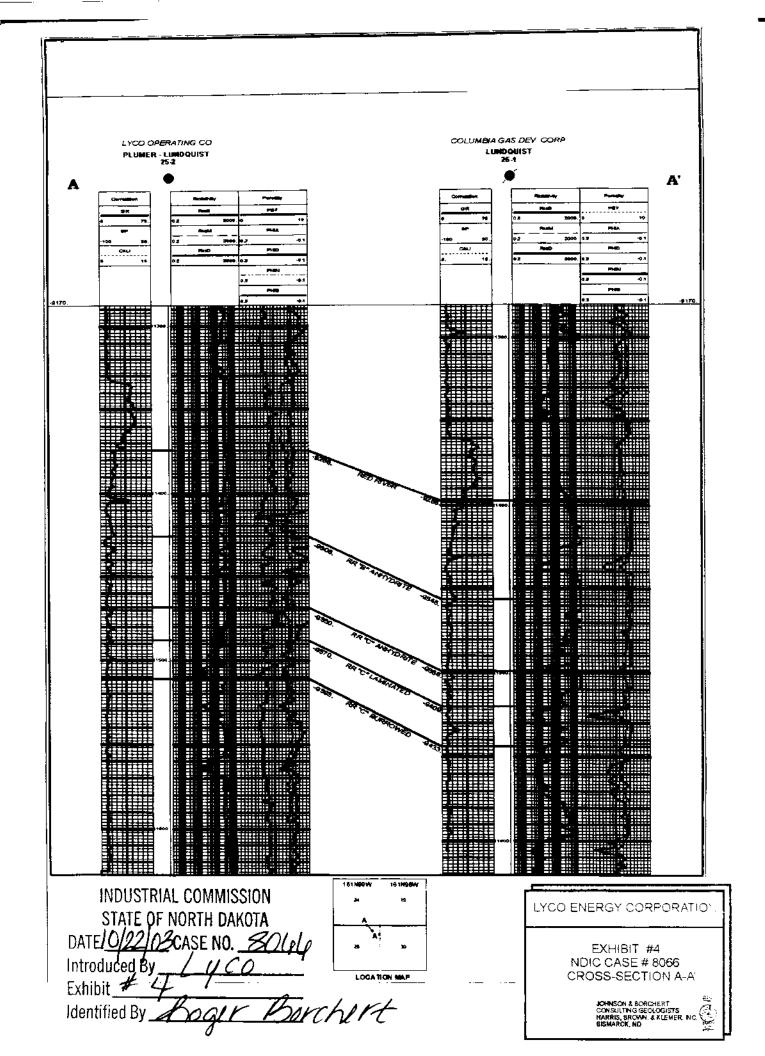
NDIC CASE # 8066

DEV. WINNIPEGOSIS STRUCTURE

C. I. = 1 Mil

JOHNSON & BORCHERT CONSULTING GEOLOGISTS HARRIS, BROWN, & KLEMER, INC. BISMARCK, ND





NDIC CASE #8066 EXHIBIT #5 OCTOBER 22, 2003

DATA SHEET

OPERATOR

Lyco Energy Corporation 6688 North Central Expressway, Suite 1600 Dallas, TX 75206-3927

CURRENT SILURIAN SPACING

320 Acre Spacing

Spaced Area: SE/4 24, NE/4 25, T161N-R99W, Divide Co., ND

Locations: 660' Setback from Spacing Unit Boundary, 1980' between wells

RECOMMENDED RED RIVER SPACING

Same as Current Silurian Spacing

POOL BOUNDARY

Same as Silurian Pool Boundary

SUGGESTED STRATIGRAPHIC LIMITS

Base of the Stony Mountain Shale to above the top of the Winnipeg Formation.

DISCOVERY WELL

Lyco Operating Co. Total Depth PBTD Open Perfs
Plumer-Lundquist #25-2 11620' 11507' 11494-11505'
(120' FNL-1680' FEL)
Section 25, T161N-R99W
Divide Co., ND

NEW WELLS

None

ANTICIPATED WELLS

None

RESERVOIR DATA

Formation: Red River "C"
Trap Type: Structural
Reservoir Drive: Solution Gas

Datum -9377

Initial Reservoir Pressure: 5248 psi

Gas/Oil Ratio: 1670 to 1 Oil Gravity: 43.9 API Porosity: 10%

Net Pay: 17'

Permeability: 5.2 md

Sw: 30%

Rw: .055 ohm-meters @ 77 degrees F.

Formation Volume Factor: 2 Pour Point: : 13 degrees F.

Reservoir Temperature: 244 degrees F.

OOIP: 438,521 BBL

DAKOTA
DAKOTA
ENO. <u>SOUL</u>

5

Boger Border

CASING INFORMATION

Surface Casing: 9 5/8" set@ 1644', cemented W/1500 sx

Production Casing: 5 1/2" set@ 11670', cemented W/ 2560 sx (cement top @ 3230')

PRODUCTION DATA

Initial Production: 63 BOPD, 3 BSWPD, 63 MCFGPD, Flowing

Current Production (June '03): 35 BOPD, 40 BWPD Cumulative Production (June '00): 52469 BO, 87068 BW

RESERVE DATA

Remaining Reserves: 35,813 BO

ECONOMICS

Estimated Cost to Re-Complete: \$58,000.00

Assuming:

a. \$25.00/Bbi

b. first year decline 60%, second year decline 30%, 10% decline thereafter

c. \$3,000.00 per month, Operating Costs

d. 80% NRI

e. 9% severance tax (overall)

EXPECTED NET REVENUES \$380,052.00 WORKOVER EXPENSES: \$58,000.00 6.5-1

ECONOMIC SUMMARY FAVORABLE

PRODUCING OIL & GAS PROPERTY ECONOMIC EVALUATION

EXHIBIT #7

OPERATOR: LYCO ENERGY CORP

WELL NAME: PLUMBER-LUNDQUIST #25-2

FIELD: BURG

LOCATION: NE/4 25. T161N-R99W (120' FNL, 1680' FEL)

COUNTY: DIVIDE STATE: ND

DISCOUNT PRESENT VALUE

							RATES:	
EVALUATION	Į				W.1.	100.0%	0%	380,052
DATE:	10/16/03				N.R.I.	80.0%	5%	336,576
			PARTICPA	TING REV. I	NTEREST	80.000%	10%	301,216
CUM. PROD:	OIL (BBL):	10012			THRU	10/003	15%	272,115
	GAS (MCF):	5863			THRU	10/003	20%	247,886
	WATER BBL	16212			THRU	10/003	25%	227,488
			_				30%	210,131
DECLINE	60	PERCENT	(YR. 1)	TAXES:			35%	195,211
RATE:	30	PERCENT	(YR 2)	OIL:	9%		40%	182,265
	10	PERCENT	(YR 3+)	GAS:	\$0.045		45%	170,931
WELL LIFE	96	MONTHS					50%	160,927

PRODUCT \$ OIL (\$/BO) \$ 25.00

GAS (\$/MCF) \$

OP. \$/MO. \$ 3,000.00 (ESTIMATED)

ESCALATION OIL: GAS OP. COSTS 0% FACTOR(%) 0% 0%

CALENDAR	YEAR	BBL	OIL	MCF	GAS	N.R.I.	TAX & OP.	NET	CUM	STATE	OPER.
YEAR	NUMBER	OIL	PRICE	GAS	PRICE	(%)	COSTS	REVENUE	REVENUE	TAXES	COSTS
2003	1	8989	\$25.00	0	\$ -	80.00%	49180	130597	130597	16180	36000
2004	2	5798	\$25.00	0	\$ -	80.00%	53885	78169	208766	11885	42000
2005	3	4598	\$25.00	0	\$ -	80.00%	44127	46171	254937	8127	36000
2006	4	4152	\$25.00	0	\$ -	80.00%	43350	38320	293258	7350	36000
2007	5	3756	\$25.00	0	\$ -	80.00%	42648	31220	324477	6648	36000
2008	6	3397	\$25.00	0	s -	80.00%	42013	24797	349275	6013	36000
2009	7	3072	\$25.00	0	\$ -	80.00%	41438	18989	368263	5438	36000
2010	8	2802	\$25.00	0	\$ -	80.00%	34133	11789	380052	4133	30000
2011	9	221	\$0.00	0	\$ -	80.00%	0	0	380052	0	0
2012	10	0	\$0.00	0	s -	80.00%	0	0	380052	0	0
TOTALS	<u> </u>	36786		0			350774	380052		65774	252000

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

NOTICE OF PUBLICATION NORTH DAKOTA 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 9:00 a.m. on October 22, 2003, Pioneer Room, State Capitol, Bismarck, North Dakota. For the purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will receive testimony and exhibits.
ATTENTION PERSONS WITH DISABILI-

TIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by October 8, 2003.

STATE OF NORTH DAKOTA TO:

All named parties and persons having any right, title, interest, or claim in the following cases and notices to the public. Case No. cases and notices to the public Case No. 8134: On a motion of the Commission to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Condor Petroleum, Inc., #12-Tangsrud well, located in the NW/4 of the NE/4 of Section 12, T.160N., R.96W., Divide County, North Dakota, define the Ilmits of the field, and enact such special field rules as may be necessary. Case No. 8135: On a motion of the Commission to consider the application of Condor Petroleum, Inc. for an order pursuant to North Dakota Administrative Code Section 43-02-03-88.1 allowing the production from the Hayland-Baldeen and Madison Pools to be commingled in the well bore of the Tangsrud #12-1 well, located in the NW/4 of the NE/4 of Section 12, T.160N., R.96W., Hayland Field. Section 12, T.I.60N., R.96W., Hayland reight Dakota and anoth further and additional relief as the Commission deems appropriate. Case No. 8066: (Continued) On motion of the Commission to consider the temporary or proper spacing for the development of an oil and/or gas pool discovered by the Lyco Energy Corporation #25-2 Plument and the stability of the New ANEA of Lundquist well, located in the NW/4 NE/4 of ection 25, T.161N., R.99W., Divide County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary. Case No. 8136: On a motion of the Gommission to consider the application of Eagle Operating Inc. for an order pursuant to North Dakota Administrative Code Section 43-02-03-88.1 pooling all interests in a spacing unit for the Flaxton-Madison Pool, described as the S/2 of the NE/4 of Section 23. T. 163N., R.91W., Burke County, North Dakota: authorizing the recovery from each nonparticipating owner a risk penalty as pro-vided by North Dakota Century Code Section 38-08-08 and such other and further relief as the Commission deems appropriate. Case No. 8137: On a motion of the sider the application of Eagle Operating Inc. for an order pursuant to North Dakota Administrative Code Section 43-02-03-88.1 pooling all interests in a spacing unit for the North Haas-Madison Pool, described as the SE/4 of the NE/4 of Section 21, T.163N., R.82W., Bottineau County, North Dakota; authorizing the recovery from each nonparticipating owner a risk penalty as provided by North Dakota Century Code Section 38-08-08 and such other and further relief as the Commission deems appropriate. Case No. 8138: On a motion of the Commission to torrider the application of Continental Resources, Inc. for

an order amending the field rules for the T.R.-Madison Pool, so as to create a 1280acre spacing unit comprised of the W/2 of Section 16, the E/2 of Section 17 and all of Section 20; all in T.141N., R.100W., Billings County, North Dakota; authorizing the drilling of one horizontal well within the spacing unit not less than 500 feet to the boundary of such spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8139: On a motion of the Commission to consider the application of Continental Resources, Inc. for an order amending the field rules for the T.R.-Madison Pool, so as to create a 1280-acre spacing unit comprised of all of Section 19 and the W/2 of Section 30, T.141N, R. 100W., and the E/2 of Section 25, T.141N., R.101W., Billings County, North Dakota; authorizing the drilling of one horizontal well within the spacing unit not less than 500 feet to the boundary of such spacing unit and providing such further and additional relief as the Commission deems appropriate. Case No. 8117: (Communed) On a motion of the Commission to consider the application of FH Petroleum Corp. for an order amending the field rules for the Roosevelt-Birdbear Pool so as to create and establish a zone of 320-acre spacing for the S/2 of Section 8, T.142N., R.102W., Billings County, North Dakota, and/or such other and further relief as the Commission deems appropriate. Case No. 8140: On a motion of the Committion to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Wyoming Resources Corporation #1 Yellowstone well. located in the NW/4 NW/4 of Section 16. T.150N., R.104W., McKenzie County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary. Case No. 8141: On a motion of the Columnston to consider the proper spacing for the development of the Sioux-Red River Pool, McKenzie County, North Dakota, redefine the limits of the fleid, and enact such special field rules as may be necessary. Case No. 8142: On a motion of the Commission to consider the application of Wyoming Resources Corporation for an order exempting wells drilled within the Little Missouri-herre Unit, located in Bowman County, North Dakota, from the provisions of Section 43-02-03-21 of the North Dakota Administrative Code requiring that strings of surface casing be allowed to stand cemented under pressure for at least twelve hours before drilling the plug or initiating tests, or for such other and further relief as the Commission deems appropriate. Signed by,

long Hoeven, Governor Chairman, ND Industrial Commission 10/2 - 185091 \

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the functions of your government are
ambodied in public notices. We strongly
advise those citizens seeking further
information to exercise their right to
access to public records and
public meetings.

Deadlines

PUBLISH BY	RECEIVE BY
Mon	Thurs. 12 Noon
Tues	Fri. 12 Noon
Wed	Mon. Noon
Thurs	Mon. 5PM
Friday	Tues. 5PM
Sat	Wed. 12 Noon

Notice of publication

NORTH DAKOTA 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 9:00 a.m. on October 22, 2003, Pioneer Room, State Capitol, Bismarck, North Dakota. For the purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will receive testimony and exhibits.

ATTENTION PERSONS WITH DISABILITIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by October 8, 2003.

STATE OF NORTH DAKOTA TO:

All named parties and persons having any right, title, interest, or claim in the following cases and notices to the public: Case No. 8134: On a motion of the Commission to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Condor Petroleum, Inc. #12-1 Tangsrud well, located in the NW/4 of the NE/4 of Section 12 T.160N., R.96W., Divide County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary. Case No. 8135: On a motion of the Commission to consider the application of Condor Petroleum, Inc. for an order pursuant to North Dakota Administrative Code Section 43-02-03-88.1 allowing the production from the Hayland-Bakken and Madison Pools to be commingled in the well bore of the Tangsrud #12-1 well, located in the NW/4 of the NE/4 of Section 12. T.160N., R.96W., Hayland Field, Divide County, North Dakota and such

Affidavit of Publicat

State of North Dakota, County of Divide, ss:

I, Steven J. Andrist, being first duly sworn, on my oath, say that I am the published of The Journal, a weekly newspaper of general circulation and official newspaper of Divide County, State of North Dakota, published in the city of Crosby, ND, and that the advertisement headed

NOTICE TO PUBLICATION

a printed copy of which is here attached, was published in The Journal on the following dates:

October 8, 2003 10.5 inches @ 4.20 = 44.10

TOTAL CHARGE \$44,10

turther and angluonal relief as the Commission deems appropriate. Case No. 8066: (Continued) On a motion of the Commission to consider the temporary or proper spacing for the development of an oil and/or gas pool discovered by the Lyco Energy Corporation #25-2 Plumer-Lundquist well, located in the NW/4 NE/4 of Section 25, T.161N., R.99W., Divide County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary.

Signed by, John Hoeven, Governor Chairman ND Industrial Commission (10-8) Signed Steven J. Andrist, Publisher

Subscribed and sworn to before me October 9, 2003

Donna Molander

Notary Public, State of North Dakota My Commission Expires January 26, 2007

NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

Lynn D. Helms DIRECTOR http://explorer.ndic.state.nd.us

Bruce E. Hicks ASSISTANT DIRECTOR

September 19, 2003

Mr. John R. Lee Crowley Haughey Hanson Toole & Dietrich PLLP PO Box 2529 Billings MT 59103-2529

RE: CONTINUANCE OF CASE NO. 8066

Dear Mr. Lee:

Pursuant to North Dakota Administrative Code Section 43-02-03-90, any person moving for continuance of a hearing, and who is granted the continuance, shall submit twenty-five dollars (\$25.00) to the Industrial Commission to cover the cost of republication for the notice of hearing.

At its meeting on September 17, 2003, the Director, on behalf of the Industrial Commission, entered Order No. 9523 granting the request of Lyco Energy Corporation for a continuance of Case No. 8066 to the October 22, 2003 hearings.

Enclosed is Invoice No. 14548 in the amount of \$25.00. Please submit payment at your earliest convenience.

Sincerely,

Tracy Heilman

Information Processor

th enc.

BEFORE THE INDUSTRIAL COMMISSION

OF THE STATE OF NORTH DAKOTA

CASE NO. 8066 (CONTINUED) ORDER NO. 9523

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE TEMPORARY OR PROPER SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL DISCOVERED BY THE LYCO ENERGY CORPORATION #25-2 PLUMER-LUNDQUIST WELL, LOCATED IN THE NW/4 NE/4 OF SECTION 25, T.161N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, DEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 27th day of August, 2003.
- (2) Counsel for Lyco Energy Corporation, operator of the Plumer-Lundquist #25-2 well, located in the NW/4 of the NE/4 of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, requests that this case be continued to the regularly scheduled hearing on October 22, 2003.
 - (3) There were no objections to said request.
 - (4) This case should be continued to the regularly scheduled hearing on October 22, 2003.

IT IS THEREFORE ORDERED:

(1) This case is hereby continued to the regularly scheduled hearing on October 22, 2003.

Dated this 17th day of September, 2003.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission

/s/ Lynn D. Helms, Director

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

I, Donna Bauer, being duly sworn upon oath, depose and say: That on the 19th of September, 2003 enclosed in separate envelopes true and correct copies of the attached Order No. 9523 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 8066:

John Morrison Fleck, Mather & Strutz Ltd. P. O. Box 2798 Bismarck, ND 58502

Lawrence Bender Pearce & Durick P. O. Box 400 Bismarck, ND 58502

John Lee Attorney at Law P. O. Box 2529 Billings, MT 59103

Donna Bauer
Oil & Gas Division

On this 19th day of September, 2003, before me personally appeared Donna Bauer to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Notary Public

State of ND, County of Burleigh My Commission expires 9-21-2005

Bruce you will

CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH P.L.L.P.

ATTORNEYS AT LAW
500 TransWestern Plaza II
490 North 31st Street, Suite 300
(P. O. Box 2529)
Billings, Montana 59103-2529
Telephone: (406) 252-3441

DATE/TIME: June 17, 2003

FAX CORRESPONDENCE:

TO:

Karlene Fine

FAX #:

701-328-2820

FROM:

John Lee

THIS TRANSMISSION CONSISTS OF _4__ PAGES (INCLUDING THIS COVER SHEET)

A HARD COPY OF THIS FAX WILL X_WILL NOT __ BE SENT BY MAIL.

IF FAX IS NOT FULLY RECEIVED. CALL (406) 252-3441, AND ASK FOR CHRISTIE OR JOHN.

FOR RETURN FAX MESSAGES, SEND TO -- (406) 256-8526

MESSAGE: Lynn. Re: Case No. 8066, JRL.

The information contained in this fax transmittal is confidential, may be subject to the attorney-client privilege and is intended only for the use of the recipient named above. If the reader is not the intended recipient, or the employee or agent responsible for delivery of this information to the intended recipient, you are notified that this is not a waiver of privilege and any dissemination, distribution or copying of this information is strictly prohibited. If you have received this transmittal in error, please immediately notify the sender by telephone, and return this transmittal to the sender, by U.S. Postal Service, at the above address. Thank you.

File No.: 72-077-052

9:39AM

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AVEL N. CONTACT

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SCOTT A. PISR

"BIESCE A. FREDRICKSON

KHLLIE M. GASTON MICHAEL W. GREEN ROBERT C. GRUTIN PETER F. HAHEIN SCOTT C. HAGEL KEVIN P. HEANEY XENNETH Q. REDGE LAMBS R. HINTZ LARRY A. HOLLB ANGELA K. JACOBS Daniel D. **Johns** Darin W. **Johns**on JOEL L. KALEVA ALLAN L. EARFIL KIELY KEANE METER M. KIRYAN MICHAILS LANR WILLIAM D. LAMDIN III

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DAVID L XORNON ALTHUR LAMSY, JR. LOUIS R. MOORE MYLES I. TEDMAS FILED E. WISSEWAND KEMP I WILSON

nètired Norman Hanson JAMES M. HALIGHEY BRUCE IL TOOLE

OF COUNSEL
GEOLGE C. BALTHORF

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113 BAST BROADWAY P.O. BOX 1296 WILLISTON, ND 51803-1206 PHONE (701) 572-3200

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45 PERCOVERY DRIVE STATE 200, P.O. SOOT 10949 BOZZNAJE NET 59719-0969 PHONE (400) 556-1450

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June 17, 2003

<u>VIA FACSIMILE AND U.S. MAIL</u>

Ms. Karlene Fine Executive Director and Secretary North Dakota Industrial Commission Capitol Building, 10th Floor 600 East Boulevard Bismarck, North Dakota 58505-0310

Re:

Request for Continuance - Lyco Energy Corporation - Case No. 8066 Township 161 North, Range 99 West, 5th P.M., Sections 24 and 25

Divide County, North Dakota

Dear Ms. Fine:

Enclosed herewith for filing on behalf of Lyco Energy Corporation ("Lyco") is a Request for Continuance of Case No. 8066 asking that said case be continued to the Industrial Commission's regular hearings scheduled for August 27, 2003. If you have any questions, please feel free to contact the undersigned at your convenience.

Thank you for your assistance,

John R. Lee

Very trally yours

Enclosure

cc: Mr. Robert G. Moore, Jr. (w/encl.)

Mr. Lynn D. Helms (w/encl.)

CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH P.L.L.P.

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OF COUNSEL GEORGE C. DALTHORY JOHN M. DISTRACE 1. IAMPS HECKATHORN DAVID L. JOHNSON NEIL S. KLEMER GARELII F. KRIPGI ARTHUR LAMEY, JR.
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June 17, 2003

<u>VIA FACSIMILE AND U.S. MAIL</u>

Mr. Lynn Helms, Director North Dakota Industrial Commission 600 East Boulevard Avenue, Dept. 405 Bismarck, North Dakota 58505-0840

Re:

Request for Continuance - Lyco Energy Corporation - Case No. 8066 Township 161 North, Range 99 West, 5th P.M., Sections 24 and 25 Divide County, North Dakota

Dear Lynn:

I have been asked by Lyco Energy Corporation ("Lyco") to request a continuance of Case No. 8066 to the Industrial Commission's regular hearings scheduled for August 27, 2003. The request is being made because of the unavailability of technical personnel and scheduling conflicts of the undersigned prior to the August hearing date. Please advise at your earliest convenience whether this request meets with your approval. I have contemporaneously herewith filed a formal Request for Continuance of Case No. 8066 with Karlene Fine.

Thanks for your assistance, Lynn. I may be reached either at (406) 255-7252 or Nee@crowleylaw.com.

Very\truly yours,

IOPIVR LEE

cc: Mr. Robert G. Moore, Jr.

BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE MOTION OF THE COMMISSION TO CONSIDER THE TEMPORARY OR PROPER SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL DISCOVERED BY THE LYCO ENERGY CORPORATION #25-2 PLUMER-LUNDQUIST WELL LOCATED IN THE NW/4NE/4 OF SECTION 25, TOWNSHIP 161 NORTH, RANGE 99 WEST, 5TH P.M., DIVIDE COUNTY, NORTH DAKOTA, DEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY

CASE NO. 8066

REQUEST FOR CONTINUANCE

COMES NOW the applicant, LYCO ENERGY CORPORATION ("Lyco"), 6688 North Central Expressway, Suite 1600, Dallas, Texas 75206-3927, and through its counsel requests that this case be continued to the Commission's regularly scheduled hearing on August 27, 2003.

DATED this 17th day of June, 2003.

LYCO ENERGY CORPORATION

CROWLEY, HAUGHEY, HANSO TOOLE & DIETRICH P.L.L.P.

Вy

John R. Lee, Its Attorney

P.O. Box 2529

Billings, MT 59103-2529

(406) 255-7252

E-Mail: jlee@crowleylaw.com

STATE OF MONTANA

COUNTY OF YELLOWSTONE

JOHN R. LEE, being first duly sworn, deposes and states that he is the attorney for the applicant named herein, that he has read the foregoing Request for Continuance, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, information and belief.

JOHN R. LEE

Subscribed and sworn to before me this 17th day of June, 2003.

Residing at <u>Sullings</u> / Nanth My commission expires / 7-6-8006

s. Stolzenburg

(SEAL)

CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH P.L.L.P.

ATTORNEYS AT LAW

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OF COUNSEL GEORGE C. DALTHORP JOHN M. DIETRICH I. JAMES HECKATHORN DAVID L. JOHNSON NEIL S. KEEFER GARELD F. KRIEG ARTHUR LAMEY, JR. * LOUTS R. MOURE MYLES J. THOMAS FRED E WHISENAND KEMP J WILSON

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45 DISCOVERY DRIVE SUITE 200, P.O. BOX 16969 BOZEMAN MT 59719-0969 PHONE :406: 556-1430

Attorneys are treenson in Montana uniess otherwise noted, + not hernised in Montana, + also hernised in North Dakota; + also incressed in Wyoming

August 20, 2003

YIA FACSIMILE AND U.S. MAIL

Mr. Lynn Helms, Director North Dakota Industrial Commission 600 East Boulevard Avenue, Dept. 405 Bismarck, North Dakota 58505-0840

Re:

Request for Continuance - Lyco Energy Corporation - Case No. 8066 Township 161 North, Range 99 West, 5th P.M., Sections 24 and 25

Divide County, North Dakota

Dear Lynn:

I have been asked by Lyco Energy Corporation ("Lyco") to request a continuance of Case No. 8066 to the Industrial Commission's regular hearings scheduled for October 22, 2003. Production from the well has not yet been stabilized due to pump issues, so Lyco presently does not have meaningful production data available. Beyond that, I personally have scheduling conflicts both next Wednesday (MPA Annual Meeting) and a family matter in September over the hearing date. Please advise at your earliest convenience whether this request meets with your approval. I have contemporaneously herewith filed a formal Request for Continuance of Case No. 8066 with Karlene Fine.

Thanks for your assistance, Lynn. I may be reached either at (406) 255-7252 or jie @crowleylaw.com.

Very truly yours

JOHN R. LEE

Mr. Robert G. Moore, Jr. cc.

CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH P.L.L.

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STEFAN T. WALL NEIL G. WESTESEN BRYAN G. WILLETT

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LINEAST BROADWAY P.O. BOX 1206 WILLISTON, ND 58802-1206 PHONE (701) 572-2200

P.O BOX 759 KALISPELL MT 59903-0759 PHONE (406) 752-6644

45 DISCOVERY DRIVE SUITE 200, P.O. BOX 10969 BOZEMAN, MT 59719-0969 PHONE (406) 556-1430

tect; + not licensed in Montana; * also licensed in North Dakota; # also licensed in Wyoming Attorneys are licensed in Montana unless other

August 20, 2003

VIA FACSIMILE AND U.S. MAIL

Ms. Karlene Fine **Executive Director and Secretary** North Dakota Industrial Commission Capitol Building, 10th Floor 600 East Boulevard Bismarck, North Dakota 58505-0310

Re:

Request for Continuance - Lyco Energy Corporation - Case No. 8066

Township 161 North, Range 99 West, 5th P.M., Sections 24 and 25

Divide County, North Dakota

Dear Ms. Fine:

Enclosed herewith for filing on behalf of Lyco Energy Corporation ("Lyco") is a Request for Continuance of Case No. 8066 asking that said case be continued to the Industrial Commission's regular hearings scheduled for October 22, 2003. If you have any questions, please feel free to contact the undersigned at your convenience.

Thank you for your assistance.

Very truly ours

JOHN 😘

Enclosure

Mr. Robert G. Moore, Jr. (w/encl.) cc:

Mr. Lynn D. Helms (w/encl.)

BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA

IN THE MATTER OF THE MOTION OF THE COMMISSION TO CONSIDER THE TEMPORARY OR PROPER SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL DISCOVERED BY THE LYCO ENERGY CORPORATION #25-2 PLUMER-LUNDQUIST WELL LOCATED IN THE NW/4NE/4 OF SECTION 25, TOWNSHIP 161 NORTH, RANGE 99 WEST, 5TH P.M., DIVIDE COUNTY, NORTH DAKOTA, DEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY

CASE NO. 8066



REQUEST FOR CONTINUANCE

COMES NOW the applicant, LYCO ENERGY CORPORATION ("Lyco"), 6688 North Central Expressway, Suite 1600, Dallas, Texas 75206-3927, and through its counsel requests that this case be continued to the Commission's regularly scheduled hearing on October 22, 2003.

DATED this 20th day of August, 2003.

LYCO ENERGY CORPORATION

CROWLEY, HAUGHEY, HANSON, TOOLE & DIETRICH P.L.L.P

By

John R. Lee, Its Attorney

P.O. Box 2529

Billings, MT 59103-2529

(406) 255-7252

E-Mail: jlee@crowleylaw.com

STATE OF NORTH DAKOTA :
COUNTY OF WILLIAMS

JOHN R. LEE, being first duly sworn, deposes and states that he is the attorney for the applicant named herein, that he has read the foregoing Request for Continuance, knows the contents thereof, and that the same is true to the best of this affiant's knowledge, information and belief.

JOHN R. LEE

Subscribed and sworn to before me this 20th day of August, 2003.

CHARLENE SATTERLEE

Notary Public

State of North Dakota

My Commission Expires September 12, 2008

Notary Public

Residing at

My commission expires

(SEAL)

NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

Lynn D. Helms DIRECTOR http://explorer.ndic.state.nd.us

Bruce E. Hicks ASSISTANT DIRECTOR

July 23, 2003

Mr. John R. Lee Crowley Haughey Hanson Toole & Dietrich PLLP PO Box 2529 Billings MT 59103-2529

RE: CONTINUANCE OF CASE NO. 8066

Dear Mr. Lee:

Pursuant to North Dakota Administrative Code Section 43-02-03-90, any person moving for continuance of a hearing, and who is granted the continuance, shall submit twenty-five dollars (\$25.00) to the Industrial Commission to cover the cost of republication for the notice of hearing.

At its meeting on July 22, 2003, the Director, on behalf of the Industrial Commission, entered Order No. 9482 granting the request of Lyco Energy Corporation for a continuance of Case No. 8066 to the August 27, 2003 hearings.

Enclosed is Invoice No. 14539 in the amount of \$25.00. Please submit payment at your earliest convenience.

Sincerely,

Tracy Heilman

Information Processor

th enc.

BEFORE THE INDUSTRIAL COMMISSION OF THE STATE OF NORTH DAKOTA

CASE NO. 8066 ORDER NO. 9482

IN THE MATTER OF A HEARING CALLED ON A MOTION OF THE COMMISSION TO CONSIDER THE TEMPORARY OR PROPER SPACING FOR THE DEVELOPMENT OF AN OIL AND/OR GAS POOL DISCOVERED BY THE LYCO ENERGY CORPORATION #25-2 PLUMER-LUNDQUIST WELL, LOCATED IN THE NW/4 NE/4 OF SECTION 25, T.161N., R.99W., DIVIDE COUNTY, NORTH DAKOTA, DEFINE THE LIMITS OF THE FIELD, AND ENACT SUCH SPECIAL FIELD RULES AS MAY BE NECESSARY.

ORDER OF THE COMMISSION

THE COMMISSION FINDS:

- (1) This cause came on for hearing at 9:00 a.m. on the 25th day of June, 2003.
- (2) Counsel for Lyco Energy Corporation, the operator of the Plumer-Lundquist #25-2 well, located in the NW/4 NE/4 of Section 25, Township 161 North, Range 99 West, Divide County, North Dakota, requests that this case be continued to the regularly scheduled hearing on August 27, 2003.
 - (3) There were no objections to said request.
 - (4) This case should be continued to the regularly scheduled hearing on August 27, 2003.

IT IS THEREFORE ORDERED:

This case is hereby continued to the regularly scheduled hearing on August 27, 2003.

Dated this 22nd day of July, 2003.

INDUSTRIAL COMMISSION STATE OF NORTH DAKOTA

By the Director, on behalf of the Commission.

/s/ Lynn D. Helms, Director

STATE OF NORTH DAKOTA

AFFIDAVIT OF MAILING

COUNTY OF BURLEIGH

I, Donna Bauer, being duly sworn upon oath, depose and say: That on the 25th of July, 2003. enclosed in separate envelopes true and correct copies of the attached Order No. 9482 of the North Dakota Industrial Commission, and deposited the same with the United States Postal Service in Bismarck, North Dakota, with postage thereon fully paid, directed to the following persons by the Industrial Commission in Case No. 8066:

John Morrison Fleck, Mather & Strutz Ltd. P. O. Box 2798 Bismarck, ND 58502

Lawrence Bender Pearce & Durick P. O. Box 400 Bismarck, ND 58502

John Lee Attorney at Law P. O. Box 2529 Billings, MT 59103

Donna Bauer
Oil & Gas Division

n Bruer

On this <u>25th</u> day of <u>July, 2003</u>, before me personally appeared <u>Donna Bauer</u> to me known as the person described in and who executed the foregoing instrument and acknowledged that she executed the same as her free act and deed.

Notary Public

State of ND, County of Burleigh My Commission expires 9-21-2005

NORTH DAKOTA INDUSTRIAL COMMISSION

OIL AND GAS DIVISION

Lynn D. Helms Director http://explorer.ndic.state.nd.us

Bruce E. Hicks Assistant Director

May 30, 2003

TO: Lyco Energy Corporation 6688 N Central Expressway, Ste 1600 Dallas, TX 75206-3927

FROM: North Dakota Industrial Commission

Governor John Hoeven, Chairman

SUBJECT: Temporary/Proper Spacing Hearing

The temporary or proper spacing for the development of an oil and/or gas pool discovered by the #25-2 Plumer-Lundquist well, located in the NW/4 NE/4 of Section 25, T.161N., R.99W., Divide County, North Dakota will be considered at the North Dakota Industrial Commission hearing on June 26, 2003.

Three copies of all exhibits to be used at the hearing are to be prefiled with Mr. Bruce E. Hicks, Assistant Director, North Dakota Industrial Commission Oil & Gas Division, 600 East Boulevard Ave.—Dept. 405. Bismarck, ND 58505-0840 five (5) days prior to the date of the hearing.

The Industrial Commission, pursuant to North Dakota Administrative Code 43-02-03-18 part 4 desires full and consistent information from all participants in spacing hearings, especially the operators. Thus, effective immediately the Commission requires the following information be prefiled:

- Name, address, and phone number of the operator of the discovery well.
- Size and shape of the spacing units, well locations, and field rules being requested. If the requested spacing units are rectangular, indicate the desired orientation. Include any requests for exceptions needed.
- 3) A map showing all wells within one (1) mile of the area being considered for spacing and the pools from which they produce.
- 4) The pool's geologic formation (including stratigraphic definition) and the geographic area of the proposed field.
- 5) The following data must be included:
 - a) Initial reservoir pressure and any subsequent reservoir pressures
 - b) Pertinent production data
 - c) Oil gravity
 - d) Gas-oil ratio
 - e) Porosity of net pay
 - f) Thickness of net pay
 - g) Water saturation of net pay
 - h) Reservoir temperature

- The following data must be included if available: 6)
 - a) Permeability
 - b) Resistivity or salinity of formation water
 - c) Oil Formation Volume Factor
 - d) Oil Pour Point
 - e) Reservoir Drive Mechanism
 - f) Bubble Point Pressure
- Pertinent economics. 7)
- Maximum area of efficient and effective drainage by wells and supporting data. 8)
- Estimated original oil in place and expected recovery. 9)
- Disposition of all fluids. 10)
- A lease ownership map showing working interest ownership, non-working interest ownership, and 11) lease expiration dates.
- A structure map, isopach map, and cross section if pertinent. 12)
- A complete suite of logs if not previously filed. 13)

A person or persons knowledgeable of the information submitted and capable of answering questions on the data must be present to testify at the hearing. An exception to this requirement can be made if the following requirements are met:

- 1) The discovery well is not commercial and no further development is anticipated.
- 2) The information requested above is prefiled ten (10) days prior to the scheduled hearing.
- 3) Prefiled exhibits are accompanied by signed affidavits from the person or persons who prepared the exhibits attesting to the following:
 - a) Their professional qualifications as an expert witness.
 - b) That they prepared, supervised preparation, or reviewed the documents.
 - c) That the documents are true and correct.
 - d) Identification of each exhibit, and explanation of the pertinence of the exhibit to the temporary or proper spacing matter at hand.
- 4) No one appears to oppose the temporary or proper spacing request. If the operator declines to appear and an interested party does appear to oppose the temporary or proper spacing request or submits a written objection, it may result in the matter being continued and an appearance by the operator required. In addition, you should be aware that in the event an Industrial Commission order is appealed the court decision will be based entirely on the hearing record. The lack of hearing testimony could result in an incomplete record.

In order to develop timely communication, all operators are asked to advise the Commission of the name and address of the person(s) responsible for regulatory matters for their company. Such person(s) will be notified of pending spacing matters.

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Printing & Publishing DIVISION DIL & GAS 108/07/03 PO Box 5516 TOTAL CASE OF THE **的 "我们的现在分**点,我**是我**不是我们的不是一个多数,我们 Bismarck, ND 58506-5516 701-223-2500 PLEASE PAY BY AUG 16 91.52 In State 800-472-2273 Fax 701-223-6584 **医多数显示的数字法: 194**0分子,1945年5年20日,**20**08年 4 PARKET IN CO. S. C. C. **CR54 08/07/03 BISMARCK TRIBUNE PO BOX 5514 BISMARCK ND 58 DIVISION DIL & GAS #405 58504 600 E BLVD AV BISMARCK ND 58505 185875-9 7 🐰 ... 🕒 AMBURE CREDIT CARD PAYMENT (CIRCLE ONE) 185876-9 VISA INVOICE #01858769 TL CARD #: AMT PAID \$____ EXP. DATE: ____ CHECK # SIGNATURE: CREDIT CARD USERS FAX TO: 701-223-6584 DESCRIPTION - OTHER COMMENTS/CHARGES GROSS AMOUNT NET AMOU NEWSPAPER REFERENCE 12 13 14 NOTICE PUBLICATION CLASS CODE - 0132 01858769 64 143L 91.52 PO/ORD NO #810 I JL 44 motion of the Commission to consider the appropriate. Case No. 8(09: On a motion of the Commission to consider the application temporary or proper spacing for the devel-NOTICE OF PUBLICATION NORTH DAKOTA INDUSTRIAL COMMISSION BISMARCK, NORTH DAKOTA opment of an oil and/or gas pool discovered by the Lyco Energy Corporation #25-2 Plumer-Lundquist well, located in the NW/4 of BTA Oil Producers for an order establishing a 640-acre spacing unit for the Beaver Creek-Madison Pool consisting of the W/2 of Section 31,T.143N., R.102W., Billings County, North Dakota, and the E/2 of Section 36. T.143N., R.103W., Golden Valley County, NE/4 of Section 25, T.161N., R.99W., Divide The State of North Dakota by its Industrial CB County, North Dakota, define the limits of Commission hereby gives notice pursuant to the field, and enact such special field rules as may be necessary. Case No. 8:04: On a motion of the Commission to consider the iaw and the rules and regulations of said.

Commission promulgated thereunder of the North Dakota, and allowing a horizontal well following public hearing to be held at 9:00 a.m. on August 27, 2003, Pioneer Room, State Capitol. Bismarck, North Dakota. For the to be drilled thereon at any location not closproper spacing for the development of the er than 500 feet to the spacing unit boundary, or for such other and further relief as the Bear Den-Bakken Pool, McKenzie County, North Dakota, redefine the limits of the field. purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will Commission deems appropriate. Case No. and enact such special field rules as may be Commission treems appropriate. Case 150.

8110: On a motion of the Commission to consider the application of Burlington Resources Oil & Gas Company LP for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02and enact such special neit rules as may be necessary. [Nance Petroleum Corporation] Case No. 8105: On a motion of the Commission to consider the proper spacing for the development of the Larson-Gunton receive testimony and exhibits.

ATTENTION PERSONS WITH DISABILI-TIES: If you plan to attend the hearing and Pool, Burke County, North Dakota, redefine will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by August 13, 2003.

STATE OF NORTH DAKOTA TO: Administrative code (inches) section 1970-1981. Authorizing the conversion to enhanced recovery into the Cedar Hills-Red River "B" South Unit, of the following wells: CHSU BW #21-165H 16 well and the Well BW #21-165H 16 well and th the limits of the field, and enact such special field rules as may be necessary. [Jordan Exploration Company, L.L.C.] Case No. 8106: On a motion of the Commission to RONDA Notary Public. Consider the proper spacing for the develop-ment of the Yellowstone- Duperow Pool, McKenzie County, North Dakota, redefine the limits of the field, and enact such special #21-16NH 16 well, both located in the NE/4 NW/4 of Section 16, T.131N., R.106W., and My Commission All named parties and persons having any right, title, interest, or claim in the following the CHSU #43-7NH 15 well, located in the cases and notices to the public: Case No. 8101: On a motion of the Commission to NE/4 SE/4 of Section 7, T.131N., R.105W. field rules as may be necessary. [Agate Petroleum, Inc.] Case No. 8107: On a motion of the Commission to consider the application of BTA Oil Producers for an 8101: On a motion of the Commission to consider the appropriate spacing for the Armstrong Operating, Inc. #44-3H Sadowsky well, located in the SE/4 SE/4 of Section 3, T.141N., R.96W., Dunn County, North Dakota. Case No. 8102: On a motion of the Commission to consider the temporary spacing for the development of an oil and/or gas pool discovered by the Zinke & Trumbo, Inc. #1 Dorothy well, located in the SW/4 SE/4 of Section 20, T.139N., R.102W. Billings County, North Dakota, define the limits of the field, and enact such special field ruses as Cedar Hills Field, Bowman County, North Dakota, pursuant to NDAC Chapter 43-02-05 and providing such other and further relief as the Commission deems appropriate. order pursuant to Section 43-02-03-88.1 of Case No. 8085; (Continued) On a motion of the Commission to consider the application of Murex Petroleum Corporation for a hearing pursuant to Section 43-02-08-05 of the the North Dakota Administrative Code pooling all interests in a spacing unit for the Little Knife-Madison Pool described as the NE/4 of Section 32, T. 144N., R.98W., Billings County. North Dakota Administrative Code regarding the designation of the Schmitz A #2 well, located in the NE/4 NW/4 of Section 24, T.162N., R.86W., Mouse River Park North Dakota, or for such other and further relief as the Commission deems appropriate. Case No. 8108: On a motion of the commission to consider the application of the field, and enact such special field rules as may be necessary. Case No. 8103: On a motion of the Commission to consider the Field, Renville County, North Dakota, as a Commission to consider the application of BTA Oil Producers for an order extending the Beaver Creek Field to include all of Section 1, T.142N., R.103W., Golden Valley County, North Dakota, and creating a 640-acre spacing unit for the Beaver Creek-Madison Pool consisting of said Section 1, and Madison Pool stripper well property pursuant to Section 57-51.1-01 of the North Dakota Century Code. Signed by, John Hoeven, Governor Chairman, ND Industrial Commission 8/5 - 185876 allowing a horizontal well to be drilled there-Dakota, define the firms of the field, and enact such special field rules as may be necessary. Case No. 8066: (Continued) On a 91.52 on at any location not closer than 500 feet to the spacing unit boundary, or for such other-and further relief as the Commission deems Mandan Finder Minot Finder Dickinson Finder You may Bismarch Fribune Bismarck Tribune 701-223-2500 in 5 fax 701-223-6584

701-663-6823 Yoll Free 800-767-3590

MANUSCRIP COMMITTEE RECOMMATIONS

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Notice of publication

NORTH DAKOTA 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 9:00 a.m. on August 27, 2003, Pioneer Room, State Capitol, Bismarck, North Dakota. For the purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will receive testimony and exhibits.

ATTENTION PERSONS WITH DISABILITIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by August 13, 2003.

STATE OF NORTH DAKOTA

All named parties and persons having any right, title, interest, or claim in the following cases and natices to the public. Case No. 8066: (Continued) On a detion of the Continued) On a detion of the Continued of an oil and/or gas pool discovered by the Lyco Energy Corporation #25-2 Plumer-Lundquist well, located in the NW/4 NE/4 of Section 25, T.161N., R.99W., Divide County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary.

Signed by, John Hoeven, Governor Chairman ND Industrial Commission (8-7) Affidavit of Publication

State of North Dakota, County of Divide, ss:

I, Steven J. Andrist, being first duly sworn, on my oath, say that I am the publisher of The Journal, a weekly newspaper of general circulation and official newspaper of Divide County, State of North Dakota, published in the city of Crosby, ND, and that the advertisement headed

NOTICE TO PUBLICATION

a printed copy of which is here attached, was published in The Journal on the following dates:

August 6, 2003 7 inches @ 4.90 = 34.30

TOTAL CHARGE \$34.30

Signed ,

Steven J. Andrist, Publisher

Subscribed and sworn to before me August 6, 2003

Donna Molander

Notary Public, State of North Dakota My Commission Expires January 26, 2007

PLEASE DETACH AND RETURN UPPER PORTION WITH YOUR REMITTANCE GROSS AMOUNT NET AMOUNT NEWSPAPER REFERENCE DESCRIPTION - OTHER COMMENTS CHARGES 06**39** -O LASSESSA. INC 8070. On a motion of the Commission to 64 consider the application of CamWest Exploration, LLC for an order amending the 159L 101.76 101.76 NOTICE OF PUBLICATION NORTH DAKOTA PO. applicable orders of the Commission governing the Rough Rider-Red River Pool so as to INDUSTRIAL COMMISSION ommission deems appropriate. Case No. 8075: On a motion of the Commission to consider the application of Encore Operating LP for an order modifying the BISMARCK, NORTH DAKOTA designate a zone of spacing consisting of all of Sections 21, 28 and 33 in T.146N., R.100W., The State of North Dakota by its Industrial Commission hereby gives notice pursuant to law and the rules and regulations of said and Section 4 in T.145N., R.100W., all in area permit and program of injection for the underground injection of fluids into the uni-McKenzie County, North Dakota; establish 320-acre spacing units within said zone consisting of the N/2 and S/2 of each of said sec-Commission promulgated thereunder of the following public hearing to be held at 9:00 a.m. on June 25, 2003, Pioneer Room, State tized formation of the Cedar Creek Unit, Bowman County, North Dakota, pursuant to Chapter 43-02- 05 of the North Dakota tions; allow up to two wells to be drilled and completed in each spacing unit in any strati Capitol, Bismarck, North Dakota. For the purpose of this hearing, the Commission, any TE OF graphic interval included within the Red S ANI River Pool and at any location not closer than $\frac{1}{160}$ $\frac{1}{160}$ 660 feet to the boundary of each spacing Administrative Code, and providing such other and further relief as the Commission member thereof acting as Examiner, or an deems necessary. Case No. 8076: On a motion of the Commission to consider the Examiner appointed by the Commission will receive testimony and exhibits.
ATTENTION PERSONS WITH DISABILIunit, and grant such other and further relief as the Commission deems appropriate. Case application of Upton Resources USA Inc. for TIES: If you plan to attend the hearing and Ah will need special facilities or assistance relat-No. 8071: On a motion of the Commission to consider the application of Burlington Resources Oil & Gas Company LP for an an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02ing to a disability, please contact the North
Dakota Industrial Commission at 701-328NO 3722 by June 11, 2003.
STATE OF NORTH DAKOTA TO: 03-88.1 authorizing the conversion to enhanced recovery into the Tracy Mountain North-Tyler Unit, of the Tracy Mountain resources of a Gas Company in for an order pursuant to North Dakota Administrative Code (NDAC) Section 43-02-03-88.1 authorizing the conversion to enhanced recovery into the Cedar Hills South-Red River "B" Unit, of the following wells: CHSU #43-14SH 16 well, and the CHSU #43-14SH 16 well, both located in the NEA SEA Section 14 T131M Federal #10-3 well, located in the NW/4 SE/4 of Section 3, T.138N., R.101W., Tracy Mountain Field, Billings County, North Dakota, pursuant to NDAC Chapter 43-02-All named parties and persons having any right due interest, or claim in the following cases and notices to the public. Case No. 8066: On motion of the Commission to the temporary or proper spacing for the development of an oil and/or gas pool ORTH 05 and providing such other and further relief as the Commission deems appropriate. the NE/4 SE/4 of Section 14, T.131N., R.106W., Cedar Hills Field, Bowman County, North Dakota, pursuant to NDAC Chapter Signed by, discovered by the Lyco Energy Corporation GUS* #25-2 Plumer-Landquist well, located in the NW/4 NE/4 of Section 25, T.161N., R.99W. John Hoeven, Governor 43-02-05 and providing such other and further relief as the Commission deems Chairman, ND Industrial Commission 6/4 - 185633 appropriate. Case No. 8072. On a motion of the Commission to consider the application of Zinke & Trumbo, Inc. for an order amend-Divide County North Daleota, define the limits of the field, and enact such special field rules as may be necessary. Case No. 8067: On a motion of the Commission to consider ing the field rules for the Todd-Madison Pool so as to create and establish a zone of 640-acre spacing for Section 32,T.154N, R.101W, McKenzie and Williams Counties, North 5501718, application of Amerada Corporation for an order establishing a spacing unit for the Beaver Lodge-Devonian Pool consisting of the W/2 of Section 18,T.155N., R.95W., Williams County, North Dakota, or Dakota, authorizing the drilling of a horizonoppropriate. Case No. 8073: On a motion of the Commission to consider the application of Westport Oil and Gas Company, L.P. for an order amending the field rules for the Top-Madison Dept. for such other and further relief as will allow the BLDU #G- 303 well, located 1350 feet from the south line and 1350 feet from the Bismarck Tribure west line of said Section 18, to produce oil order amending the field rules for the Tree Top-Madison Pool to establish a 640-acre and gas from the Devonian Fool. Case No. 8068: On a motion of the Commission to ST consider the application of Mancal Resources spacing unit consisting of the E/2 of Section 9 and the W/2 of Section 10,T.142N., R.100W.,

Billings County, North Dakota, and authorizing the drilling of one horizontal well within Comporation for an order amending the field OF PAI

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Corporation for an TOTAL AMOUNT DUE 101.76 said sections not less than 500 feet to the proposed spacing unit boundary and/or such other and further relief as the Commission County, North Dakota, to create a spacing Yo lands, and for such other and further relief as Bismai deems appropriate. Case No. 8074: On a unit for a horizontal well comprising of said Mandon Finder Minot finder Dickinson Finder 701-22 motion of the Commission to consider the Fax 70 Company, LP for an order pursuant to North re; the Commission deems appropriate. Case at: No. 8069: On a motion of the Commission to consider the application of Mancal 701-838-3463 701-225-1374 Toll Free 800-767-35 701-663-6823 Toll Free 800-767-3590 Fax 701-838-3250 Fax 701-225-8914 Fax 701-663-2442 Dakota Administrative Code Section 43-02-Resources Corporation for an order amending the field rules for the Customs-Midale/Nesson Pool so as to include the W/Z of Section B.T.163N., R.89W., Burke County, North Dakota, within Zone I thereof, and/or such other and further relief as the Commission deems appropriate. Case No. FRANKONI. 03-88.1 authorizing the comminging of pro-duction from the Indian Hill-Sconewall Pool DIL & GAS DIVISION and the Indian Hill-Rad River Pool in the well 185633-4 and the intuinin maintain repair tool in the wall bore of the Eckert 6 At I wall, located in the SW4 of the SE4 of Section 6, T.152N., R.101W., McKenzie County, North Dalicita, and such further and additional relief as the

Notice of publication

NORTH DAKOTA 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 9:00 a.m. on June 25, 2003, Pioneer Room, State Capitol, Bismarck, North Dakota. For the purpose of this hearing, the Commission, any member thereof acting as Examiner, or an Examiner appointed by the Commission will receive testimony and exhibits.

ATTENTION PERSONS WITH DISABILITIES: If you plan to attend the hearing and will need special facilities or assistance relating to a disability, please contact the North Dakota Industrial Commission at 701-328-3722 by June 11, 2003.

STATE OF NORTH DAKOTA TO:

All named parties and persons having any right, title, interest, or claim in the following cases and notices to the public: Case No. 8066: On a motion of the Commission to consider the temporary or proper spacing for the development of an oil and/or gas pool discovered by the Lyco Energy Corporation #25-2 Plumer-Lundquist well, located in the NW/4 NE/4 of Section 25, T.161N., R.99W., Divide County, North Dakota, define the limits of the field, and enact such special field rules as may be necessary.

Signed by, John Hoeven, Governor Chairman, ND Industrial Commission (6-4)

Affidavit of Publication

State of North Dakota, County of Divide, ss:

Steven J. Andrist, being first duly sworn, on my oath, say that I am the publisher of The Journal, weekly newspaper of general circulation and official newspaper of Divide County, State of North Dakota, published in the city of Crosby, ND, and that the advertisement headed

NOTICE OF PUBLICATION

a printed copy of which is here attached, was published in The Journal on the following dates:

June 4, 2003 7 inches @4.90 = \$34.30

TOTAL CHARGE......\$34.30

Signed ____

Steven J. Andrist, Publisher

Subscribed and sworn to before me June 11, 2003

Donna Molander

Notary Public, State of North Dakota My Commission Expires January 26, 2007